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SENATE

{ REPORT  
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### TREASURY AND GENERAL GOVERNMENT APPROPRIATION BILL, 1999

JULY 15, 1998.—Ordered to be printed

Mr. CAMPBELL, from the Committee on Appropriations,  
submitted the following

### REPORT

[To accompany S. 2312]

The Committee on Appropriations reports the bill (S. 2312) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies for the fiscal year ending September 30, 1999, and for other purposes, reports favorably thereon and recommends that the bill do pass.

Amount of bill as reported to the Senate .....	\$29,923,742,000
Amount of estimate .....	26,828,439,000
The bill as reported to the Senate:	
Above the appropriations provided in 1998 ....	4,597,975,000
Above the estimates for 1999 .....	3,095,303,000

## CONTENTS

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	Page
General statement and summary of bill .....	3
Title I—Department of the Treasury .....	7
Title II—United States Postal Service .....	43
Title III—Executive Office of the President and Funds Appropriated to the President .....	45
Title IV—Independent Agencies:	
Committee for Purchase From People Who Are Blind or Severely Disabled .....	62
Federal Election Commission .....	63
Federal Labor Relations Authority .....	63
General Services Administration .....	65
Morris K. Udall Scholarship and Excellence in National Environmental Policy Foundation .....	75
Merit Systems Protection Board .....	75
National Archives and Records Administration .....	76
National Historical Publications and Records Commission .....	78
Office of Government Ethics .....	78
Office of Personnel Management .....	79
Office of Special Counsel .....	83
U.S. Tax Court .....	83
Statement concerning general provisions .....	85
Title V—General provisions, this act .....	86
Title VI—General provisions, departments, agencies, and corporations .....	87
Compliance with paragraph 7, rule XVI, of the Standing Rules of the Senate ..	90
Compliance with paragraph 7(c), rule XXVI of the Standing Rules of the Senate .....	91
Compliance with paragraph 12, rule XXVI of the Standing Rules of the Senate .....	92
Tables .....	96

#### GENERAL STATEMENT AND SUMMARY OF THE BILL

The accompanying bill contains recommendations for new budget (obligational) authority for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain independent agencies for the fiscal year ending September 30, 1999.

The Committee considered budget estimates for fiscal year 1999 in the aggregate amount of \$26,828,439,000. Compared to that amount, the accompanying bill recommends new budget authority totaling \$29,852,547,000 which is \$3,024,108,000 more than the amount requested by the administration.

The Committee recommendations are consistent with the fiscal year 1999 section 302(b) budget authority and outlay allocations for the Treasury and General Government Subcommittee.

#### REPROGRAMMING REQUIREMENTS

The Committee is concerned about the number of reprogramming requests submitted by agencies for congressional review. Agencies are again reminded that only those requests which meet the reprogramming criteria listed below will be considered, that reprogramming should be reserved for critical circumstances, and that reprogramming proposals will not be considered, except in extraordinary circumstances, if received 45 or fewer days prior to the end of the fiscal year.

The reprogramming guidelines to be used to determine whether or not a reprogramming shall be submitted to the Committee for prior approval are as follows:

(1) For agencies, departments, or offices receiving appropriations in excess of \$20,000,000, a reprogramming must be submitted if the amount to be shifted to or from any object class, budget activity, program line item, or program activity involved is in excess of \$500,000 or 10 percent of the object class, budget activity, program line item, or program activity;

(2) For agencies, departments, or offices receiving appropriations less than \$20,000,000, a reprogramming must be submitted if the amount to be shifted to or from any object class, budget activity, program line item, or program activity involved is in excess of \$50,000 or 10 percent of the object class, budget activity, program line item, or program activity;

(3) For any actions which would result in a major change contrary to the program or item presented to and approved by the Committee or the Congress;

(4) For any action where the cumulative effect or past reprogramming actions added to the new reprogramming would exceed the dollar threshold mentioned above;

(5) For any actions where funds earmarked for a specific activity are proposed to be used for another activity; and

(6) For any actions where funds earmarked for a specific activity are in excess to meet the project or activity requirement, and are proposed to be used for another activity.

#### GOVERNMENT PERFORMANCE AND RESULTS ACT

The Government Performance and Results Act of 1993, commonly called GPRA, was enacted to improve management of Federal agencies by requiring an emphasis on planning and results. Future funding decisions will be based upon an agency's ability to meet the goals outlined in the annual performance plan.

The performance plans for the Department of the Treasury were included in the Department's budget justification submission which was received concurrently with the President's budget proposal. One of the strengths of the plan is that the annual performance goals and measures are linked to the goals in the various strategic plans. In many cases, there was a clear connection between performance goals and program activities, and each program activity is associated with at least one performance goal. However, it did not fully portray how the Department's strategies and resources will help achieve the goals, or provide information on how the Department plans to ensure that performance information will be credible.

In some cases, the performance plans provided were insightful and useful in making inquiries of the agencies on priorities for funding, and will be helpful during consideration of the fiscal year 2000 budget to determine whether the goals were met.

The Committee received performance plans from all agencies under the jurisdiction of this bill which are required by the Results Act to submit such plans. As is always the case with a new requirement, some plans are better and more responsive to the intent of Congress than others. Some agencies simply state their statutory mission as a performance plan rather than outline specific goals such as reduced backlog or increased productivity. Continued guidance from the Office of Management and Budget will be useful for future performance and strategic plans.

The Committee considers the full and effective implementation of the Results Act to be a priority for all agencies under its jurisdiction. It is recognized that implementation will be an iterative process, likely to involve several appropriations cycles, and the Committee will support the efforts of agencies to develop high quality performance plans. The Committee will consider agencies' progress in addressing weaknesses in performance plans in tandem with their funding requests. Agencies are urged to examine the program activities currently supporting their budget requests in light of their strategic goals and to determine whether any changes or realignments would facilitate a more accurate and informed presentation of budgetary information. The Committee strongly urges agencies to ensure that fiscal year 2000 and subsequent budget submissions display amounts requested against program activity structures that bear clear relationships to performance goals.

#### VEHICLE USAGE AND REPLACEMENT

The fiscal year 1998 Senate Treasury and General Government appropriations bill directed the General Accounting Office to review

the use of vehicles by law enforcement agencies within the Treasury Department and report to the House and Senate Committees on Appropriations within 6 months after enactment of the bill. The GAO has found that 31 U.S.C. 1344 authorizes transportation between home and work when it is essential for the safe and efficient performance of law enforcement duties. In addition, it requires that vehicle use by agents be approved in writing by the agency head and that agencies must maintain logs or other records to establish official use of the vehicle.

The Committee initiated the review due to increasing financial demands for vehicle replacement by bureaus of the Treasury Department. GAO has reported that the application of the portal-to-portal transportation policy for law enforcement was supported and carried out by Treasury's bureaus. However, documentation of written approval by the agency head for the use of the vehicle by a law enforcement agent, and the maintenance of accurate logs specific to vehicle use, was either not available or nonexistent.

The Committee, therefore, believes that the Treasury Department and all of its bureaus that have law enforcement components are not in full compliance with statutory regulations. In addition, the Committee believes that the Treasury Department needs to finalize and implement Treasury Directive 74-06, which has been in draft form since 1988. The Committee is concerned that if the Treasury Department issues its directive without including essential definitions such as the contents of a vehicle usage log, certification of use and other requirements, the directive will not be an effective tool for the management and tracking of law enforcement vehicle usage.

Therefore, the Committee directs that the Department of the Treasury report to the Senate Committee on Appropriations no later than 6 months after the date of enactment of this bill on how it intends to comply with existing statutory requirements, address congressional concerns about vehicle usage and the Treasury directive, as well as the ability to maintain sufficient vehicle logs should an independent audit be deemed appropriate.

The Committee is encouraged by the Department of the Treasury's new initiative to track vehicle replacement Departmentwide and has provided the \$1,000,000 requested under the "Automation enhancement" account for this program. The Committee believes that this is a much needed step and that this program will improve the Department of the Treasury's ability to accurately project vehicle replacement, maintenance, and the need for new vehicles. The Committee encourages the Department of the Treasury to include in its program the impact portal-to-portal usage has on the maintenance and life of the vehicle. In anticipation of this new initiative, the Committee has denied all new funding requests for vehicle acquisition across all Treasury bureaus.

#### CLIMATE CHANGE RESEARCH

On October 22, 1997, the President introduced a three-stage proposal on climate change in anticipation of an international agreement to be negotiated 2 months later in Kyoto, Japan. The President's budget for fiscal year 1999 included a \$6,300,000,000 package of tax incentives and research and development programs over

the 5 years of stage I of the President's proposal. With regard to programs pursued under the President's proposal, the Committee expects the administration to comply with the letter and spirit of the Government Performance and Results Act.

The Committee directs the administration to designate which office has authority to coordinate and direct interagency activity with regard to the President's proposal, which can report accountably to Congress.

None of the funds provided in this bill are to be used to implement actions called for solely under the Kyoto protocol, prior to its ratification.

The Byrd-Hagel resolution passed in 1997 (S. Res. 98) remains the clearest statement of the will of the Senate with regard to the Kyoto protocol, and the Committee is committed to ensuring that the administration not implement the Kyoto protocol without congressional consent. The Committee recognizes, however, that there are also longstanding energy research programs which have goals and objectives that, if met, could have positive effects on energy use and the environment. The Committee does not intend to preclude these programs from proceeding, provided they have been funded and approved by Congress.

To the extent future funding requests may be submitted which would increase funding for climate change activities prior to ratification of the Kyoto protocol (whether under the auspices of the climate change technology initiative or any other initiative), the administration must do a better job of explaining the components of the programs, their anticipated goals and objectives, the justification for any funding increases, a discussion of how success will be measured, and a clear definition of how these programs are justified by goals and objectives independent of implementation of the Kyoto protocol.

The Committee directs the administration to provide the Committee with a detailed plan for implementing key elements of the President's proposal, which would include performance goals for the reduction of greenhouse gases that have objective, quantifiable, and measurable target levels. The plan should provide evidence on the effectiveness of these programs in meeting the performance goals. The Committee expects these items to be included as part of the fiscal year 2000 budget submission for all affected agencies.

## TITLE I—DEPARTMENT OF THE TREASURY

### DEPARTMENTAL OFFICES

#### SALARIES AND EXPENSES

Appropriations, 1998 .....	\$114,771,000
Budget estimate, 1999 .....	123,846,000
Committee recommendation .....	120,671,000

The Committee recommends an appropriation of \$120,671,000 for salaries and expenses for departmental offices of the Treasury Department. The amount provided by the Committee is \$5,900,000 above the fiscal year 1998 level.

The Committee has recommended a funding level of \$120,671,000 which includes adjustments for mandatory cost increases. The Committee has also provided for maintaining current levels of funding related to the other benefits category and nonlabor cost increases. In addition, the Committee included funding for workload increases related for the following areas: tax and economic policy, international affairs, Office of Foreign Asset Control staffing for terrorism and narcotics, enforcement policy coordination, fiscal and financial services, and improved human resource activities. The Committee notes that the administration request includes \$4,000,000 for year 2000 conversion costs. The Committee has provided an additional emergency appropriation to address these costs.

The departmental offices function of the Treasury Department provides basic support to the Secretary in his roles as the chief financial officer of the Government, major policy adviser to the President, and Executive Director of the Treasury Department. The Secretary's responsibilities include: recommending and implementing U.S. domestic and international economic policy, fiscal policy, and tax policy; managing the fiscal operations of the Government; managing the public debt; overseeing the major law enforcement functions carried out by the Treasury Department; serving as the U.S. representative to the various international financial organizations; and directing the general administrative operations of the Treasury Department.

In support of the Secretary, the departmental offices function provides policy formulation and implementation in areas such as tax and economic affairs, trade and financial operations, and general fiscal policy. This function also provides advice and technical assistance on administrative and legislative programs and establishes and coordinates departmental administrative policies in areas such as budget, accounting, personnel, procurement, information systems development and management, telecommunications, and equal employment opportunity.

The international affairs programs involve the formulation and execution of Treasury policy in a wide range of important economic areas. This activity includes those offices responsible for providing staff analysis and support for the Secretary and other senior officials involved in formulating and implementing international economic and financial policies. The issues involved within this activity include: international monetary affairs; international development financing policy; U.S. policy toward, and participation in, the work of the various international financial organizations; international economic analysis; international trade and investment policy; financial aspects of commodities and natural resources policy.

#### OFFICE OF FOREIGN ASSETS CONTROL

The Committee has provided that the Office of Foreign Assets Control [OFAC] be funded at the fiscal year 1999 request, \$6,560,800. OFAC is responsible for enforcing economic sanctions as well as oversight and investigations of the illegal operations conducted by foreign agents and businesses. The Committee expects that this funding level will allow for 64 permanent full-time staffing positions. During the fiscal year 1999, the Committee provided that the Office be funded at no less than \$4,500,000. In fiscal year 1999, this floor will be raised to \$5,517,000.

#### NORTHERN LIGHTS INITIATIVE

The Committee continues to support the northern lights initiative on the United States-Canadian border. This initiative is an interagency, multijurisdictional program to improve law enforcement effectiveness and to address the growing drug problem along the Northeast border. This initiative is intended to improve communication, coordination, and effectiveness of law enforcement throughout the region.

#### WORLD BANK INTELLECTUAL PROPERTY COMPLIANCE

The Committee is concerned that World Bank lending and procurement procedures fail to address illegal software use within projects funded by the Bank and believes that the World Bank should promote international copyright law and trade-related treaty obligations. Therefore, the Committee urges the Secretary of the Treasury to instruct the U.S. Executive Directors of multilateral development banks to use the voice and vote of the United States to advocate adoption of procurement and lending guidelines that prohibit borrowers and other recipients of bank funds from reproducing, distributing, or using illegal copies of computer software in multilateral development bank financed projects.

#### OFFICE OF PROFESSIONAL RESPONSIBILITY

Appropriations, 1998 .....	\$1,250,000
Budget estimate, 1999 .....	1,654,000
Committee recommendation .....	

The Committee has provided no additional funding for the Office of Professional Responsibility. The Office was created by this Committee in fiscal year 1997 for the purpose of assisting the Under Secretary for Enforcement in providing greater oversight and man-



agement of Treasury's law enforcement bureaus. Since that time, a total of \$2,750,000 has been appropriated for this purpose, and another \$1,654,000 was requested for fiscal year 1999.

The Committee believes that there is no longer a need for a separate appropriation for this Office, and has provided sufficient funding within the departmental offices for the Under Secretary of Enforcement to continue the operations of this Office should he so desire.

#### AUTOMATION ENHANCEMENTS

Appropriations, 1998 .....	\$61,389,000
Budget estimate, 1999 .....	33,952,000
Committee recommendation .....	28,990,000

The Committee has provided a total of \$28,990,000 for development and acquisition of automatic data processing equipment, software, and services for the Department of the Treasury. These funds are made available for 2 years and may be transferred to accounts and in amounts as necessary to satisfy the requirements of the departmental offices, bureaus, and organizations. These funds shall be in addition to amounts appropriated in this act and \$8,000,000 shall be available for obligation on September 30, 1999. The funds should be provided and transferred as follows:

Departmental offices .....	\$15,590,000
Departmental offices, international trade data system [ITDS] .....	5,400,000
U.S. Customs Service, automated commercial environment project [ACE] .....	8,000,000

#### CUSTOMS MODERNIZATION PROJECT

The Committee has provided \$8,000,000 for the Customs Service automated commercial environment computer modernization project. These funds are provided under the Department of the Treasury's "Automation enhancement" account. The Committee is pleased that the Department of the Treasury has taken over the management responsibility of this program and supports continued program management by the Chief Information Officer of Treasury, including the obligation of funds, with concurrence on the plan and the program's plan and milestone schedule for deployment by the Treasury Investment Review Board.

The fiscal year 1998 appropriations bill directed the General Accounting Office to study the Customs Service's effort to modernize its computer technology and the enterprisewide architecture upon which the program is based. As a result of GAO's findings, the Committee continues to believe that full-scale deployment of this project is premature at this time. Therefore, the Committee prohibits the Customs Service from making any major system investments prior to the development of an architecture compliant with the Treasury information systems architecture framework [TISAF], and establishment of an effective process to enforce compliance with the architecture. Funds will not be available for obligation until GAO reviews and reports to Congress that the Customs Service has met these two objectives.

## INTERNATIONAL TRADE DATA SYSTEM

The Committee has provided \$5,400,000 for the international trade data system.

## OFFICE OF THE INSPECTOR GENERAL

## SALARIES AND EXPENSES

Appropriations, 1998 .....	\$29,719,000
Budget estimate, 1999 .....	30,678,000
Committee recommendation .....	30,678,000

The Committee recommends an appropriation of \$30,678,000 for salaries and expenses of the Office of the Inspector General.

The statutory Office of the Inspector General of the Department of the Treasury was authorized under the Inspector General Act Amendments of 1988, Public Law 100-504. That act required the consolidation of the staff and responsibilities for the internal audit functions at the Bureau of Alcohol, Tobacco and Firearms, the U.S. Customs Service, and the U.S. Secret Service, with the Department of the Treasury's existing Office of the Inspector General.

The Office of the Inspector General is organizationally independent of all other offices and bureaus within the Department of the Treasury and is under the general supervision of the Secretary of the Treasury or his Deputy. The Office is responsible for: (1) the conduct, supervision, and coordination of audits with the Department; (2) the conduct of investigations within the nonlaw enforcement bureaus of the Department; (3) the oversight of investigations in the law enforcement bureaus or the conduct of such investigations, if appropriate; (4) the review of legislation and regulations of the Department; and (5) reporting to the Secretary and the Congress as set forth in the law.

## REPAIR AND RESTORATION OF THE TREASURY BUILDING AND ANNEX

Appropriations, 1998 .....	\$10,484,000
Budget estimate, 1999 .....	27,000,000
Committee recommendation .....	27,000,000

The Committee recommends an appropriation of \$27,000,000 for the repair and restoration of the Treasury Building and Annex. This amount is equal to the budget request, and shall be available for obligation on September 30, 1999.

## TREASURY BUILDING RENOVATION

As a result of the 1996 fire at the Main Treasury Building and subsequent repairs, the Treasury Department has identified life and safety needs related to the building which must be addressed for the building to meet current safety codes including: electrical system replacement, installation of fire alarms and sprinkler systems, asbestos removal, and emergency lighting. This 5-year renovation program will allow the Department of the Treasury to correct existing deficiencies that affect the life and safety of the building's occupants, while at the same time ensuring that the integrity of this historic building is maintained.

## FINANCIAL CRIMES ENFORCEMENT NETWORK

Appropriations, 1998 .....	\$22,835,000
Budget estimate, 1999 .....	24,000,000
Committee recommendation .....	23,670,000

The Committee has recommended \$23,670,000 which includes adjustments for mandatory costs increases. The Committee has also provided for the maintenance of current levels of funding with the exception of \$330,000 for the contract support to maintain base operations.

The Financial Crimes Enforcement Network [FinCEN] was created on April 25, 1990, by Treasury Order 105-08. The Treasury Department established FinCEN to implement the President's national drug control strategy recommendations calling for increased efforts to combat drug money laundering. FinCEN was created to serve as a central source for the systematic identification, collation, and analysis of intelligence in support of law enforcement operations. It also exercises the Department's responsibilities under the Bank Secrecy Act.

FinCEN provides a Governmentwide multisource intelligence and analytical network to support Federal, State, local, and foreign law enforcement and regulatory agencies in the detection, investigation, prosecution of money laundering, and other financial crimes. Toward this end, FinCEN is charged with linking together and analyzing financial, law enforcement, and public data sources, to provide leads on criminal financial activity that might otherwise go undetected.

In support of this mission, FinCEN is staffed with permanent FinCEN employees, analysts and computer specialists, as well as special agents, analysts, and other Federal employees on non-reimbursable details from Federal Government agencies.

## GATEWAY

The FinCEN salaries and expenses funding level includes \$600,000 for GATEWAY. The Committee notes this project has been operating on fiscal year 1995 funding which established GATEWAY as a pilot project. The proposed funding level will provide FinCEN adequate resources to maintain the GATEWAY money laundering data bases and provide State and local law enforcement officers the training necessary to utilize FinCEN's technology and capabilities. The Committee notes that certain States are not utilizing the GATEWAY automated commercial data base as much as others. The Committee encourages FinCEN to make these States aware of resources available to them and to seek out ways to assist them in their efforts to combat money laundering through GATEWAY.

## TREASURY FORFEITURE FUND

The Treasury forfeiture fund was established on October 1, 1993, in Public Law 102-393. It has two accounts, one which is funded through permanent indefinite authority and the other which is funded through a direct annual appropriation. The direct appropriation represents the annual congressional limitation on the use of the proceeds from seized and forfeited assets. Forfeited cash and

the proceeds of forfeited monetary instruments are deposited into the fund. Proceeds from the sale of other seized and forfeited assets are also deposited into the fund.

The Committee has reviewed the proposed distribution from the Treasury forfeiture fund outlined by the Department of the Treasury in their budget justification. The Committee agrees that funds should be provided to the Bureau of Alcohol, Tobacco and Firearms for their post-incident investigations (\$3,600,000) and for the explosives repository (\$1,600,000). However, the Committee prohibits distribution to ATF for vehicles for reasons explained elsewhere in this report. Further, the Committee believes that the distribution for CEASEFIRE should be increased to \$4,000,000 to allow ATF to provide this technology to eligible State and local law enforcement organizations who have requested this equipment.

The Committee agrees that funds should be provided to the U.S. Secret Service for the Treasury Communications System (\$3,700,000) and the PC/local area network (\$500,000). And, the Committee agrees that funds should be distributed to the Financial Crimes Enforcement Network (\$2,298,000) to assist in their efforts.

The Committee would encourage the Customs Service to seek funding for the construction of a P-3 hangar in Corpus Christi, TX, should the Secretary of the Treasury deem it appropriate and advance approval is received from the Senate Committee on Appropriations. The Committee directs that the Department complete the global transpark network customs information project [GTPN/CIP] with an additional \$1,500,000 through the Treasury forfeiture fund. However, the Committee prohibits distribution to the Customs Service for vehicles. Likewise, the Committee prohibits distribution to the Internal Revenue Service Criminal Investigation Division for vehicles.

Finally, the Committee recommends that the Secretary of the Treasury give serious consideration to providing \$6,000,000 to the Federal Law Enforcement Training Center [FLETC] for the construction of a new classroom building. This project is part of their master plan, and is necessary because of increased basic training workload.

#### VIOLENT CRIME CONTROL AND LAW ENFORCEMENT FUNDING

Appropriations, 1998 .....	\$131,000,000
Budget estimate, 1999 .....	132,172,000
Committee recommendation .....	132,000,000

#### VIOLENT CRIME REDUCTION PROGRAM

The Committee has provided \$132,000,000 for Treasury enforcement activities as follows:

Bureau of Alcohol, Tobacco and Firearms:	
GREAT grants .....	\$13,239,000
Laboratory equipment/investigative supplies .....	1,800,000
Total, Bureau of Alcohol, Tobacco and Firearms .....	15,039,000
Financial Crimes Enforcement Network:	
SARS data analysis .....	300,000
Enhanced law enforcement resources .....	200,000
Cyberpayment studies .....	800,000

Money laundering regulations .....	100,000
Total, Financial Crimes Enforcement Network .....	1,400,000
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Federal Law Enforcement Training Center:	
Rural law enforcement officers training .....	1,000,000
Equipment replacement .....	158,000
Total, Federal Law Enforcement Training Center .....	1,158,000
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Interagency Law Enforcement: Interagency crime drug enforcement .....	45,000,000
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U.S. Customs Service:	
High energy seagoing container inspection systems .....	10,000,000
Automated targeting systems .....	3,400,000
Southwest border technologies .....	40,600,000
Total, U.S. Customs Service .....	54,000,000
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U.S. Secret Service:	
Counterfeiting investigations .....	5,000,000
Candidate/nominee protection program .....	7,732,000
Forensic and related support of investigations of missing and exploited children .....	2,671,000
Total, U.S. Secret Service .....	15,403,000

#### BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

The Committee has provided \$1,800,000 to the Bureau of Alcohol, Tobacco and Firearms for necessary replacement of laboratory equipment and for investigative supplies.

#### GREAT PROGRAM

The Committee supports funding for the Gang Resistance Education and Training [GREAT] Program through the VCRTF, and provides \$13,239,000 for grants to local law enforcement organizations. Funding for ATF administrative support, training, and related activities is provided through the ATF "Salaries and expenses" account.

#### FINANCIAL CRIMES ENFORCEMENT NETWORK

The Committee has provided \$300,000 for data analysis and mining related to the suspicious activity reporting form required by the Bank Secrecy Act. The Committee has also included \$800,000 for FinCEN to conduct cyberpayment studies, as well as \$100,000 for money laundering regulations. In addition, the Committee has provided \$200,000 for increased resources to Federal, State, and local law enforcement for training.

#### FEDERAL LAW ENFORCEMENT TRAINING CENTER

The Committee has included funding in the VCRTF for rural law enforcement officers training (\$1,000,000) which was requested as part of the "Salaries and expenses" account. Similarly, the Committee has provided \$158,000 for necessary replacement of higher priority equipment.

## U.S. CUSTOMS SERVICE

## NARCOTICS DETECTION TECHNOLOGY

The Committee has provided full funding for the nonintrusive inspection technology to support Customs' counterdrug activities. The Committee has provided \$54,000,000 for this effort.

## INTERAGENCY LAW ENFORCEMENT

The Committee has provided \$45,000,000 to interagency crime and drug enforcement [ICDE], the amount requested by the administration from this account. These funds will allow ICDE to continue their efforts to reduce drug-related crime.

## U.S. SECRET SERVICE

The Committee has provided \$5,000,000 for counterfeiting investigations. The Committee has provided \$7,732,000 for 2000 candidate and nominee protection program. This funding will allow the Service to start training Treasury Department personnel on campaign procedures and secure the necessary equipment. Further, the Committee has included \$2,671,000 for the Service's operational costs for the Exploited Child Unit, associated with its continued efforts with the National Center for Missing and Exploited Children.

## FEDERAL LAW ENFORCEMENT TRAINING CENTER

## SALARIES AND EXPENSES

Appropriations, 1998 .....	\$64,663,000
Budget estimate, 1999 .....	71,923,000
Committee recommendation .....	66,251,000

The Committee recommends an appropriation of \$66,251,000 for salaries and expenses of the Federal Law Enforcement Training Center [FLETC]. This amount is \$1,588,000 above the fiscal year 1998 level. The Committee recommends \$1,773,000 for adjustments for mandatory cost increases. The Committee has included \$1,000,000 to continue the rural law enforcement training program and \$158,000 for equipment replacement in the VCRTF.

The Federal Law Enforcement Training Center provides the necessary facilities, equipment, and support services for conducting basic and advanced training for Federal law enforcement personnel of its participating organizations. Center personnel conduct the instructional programs for the basic recruit training and also selected portions of the advanced training. In addition, the Center furnishes training on a space-available basis to personnel from several Federal organizations which are not formal participants under the memorandum of understanding.

In October 1982, the President directed that a national center for State and local training be established as a part of the Federal Law Enforcement Training Center. The major program goals are to present advanced and specialized training and to provide basic technical assistance to State and local law enforcement agencies.

In recent years, considerable funding has been provided Federal law enforcement agencies to hire and train additional personnel.

The Committee has included funding to ensure that FLETC can meet the demands of agencies for training their personnel.

The Committee has revised section 616 to permit the Federal Law Enforcement Training Center to acquire the temporary use of additional training facilities without seeking the advance approval otherwise required by that the section. The Committee directs the Center to report to the Senate Committee on Appropriations by May 1, 1999, on the use of this authority during the first 6 months of fiscal year 1999, and projections for its use for the remaining 6 months of the fiscal year.

In addition, language has been included to clarify that FLETC may provide gang resistance education and training [GREAT] training in partnership with ATF to Federal and non-Federal personnel at FLETC and other locations, including sites that may be used on a regional basis for this training.

The Center's rapidly changing training needs require the Center to respond quickly in order to meet the requirements of participating organizations. This limited exception would provide greater flexibility to the Center to conduct certain advanced and State and local law enforcement training that is not scheduled at permanent sites due to current and anticipated basic training requirements. No Center funding is to be used for the purpose of making capital improvements at the temporary sites acquired by the Center.

#### COMPUTER CRIME TRAINING

Computer crime has become an increasing problem for State and local law enforcement. Computers can be a target, facilitator, or tool for illegal activities such as embezzlement, trade secret theft, fraud, and child pornography trade and possession. State and local law enforcement needs training on how to respond to, as well as prevent, computer crime. This education would be particularly useful for Montana law enforcement personnel. Therefore, the Committee directs the FLETC to develop a computer crimes control and prevention curriculum for use by State and local law enforcement, and work with interested State and local law enforcement offices to provide basic and advanced training on a reimbursable basis.

#### ACQUISITION, CONSTRUCTION, IMPROVEMENTS, AND RELATED EXPENSES

Appropriations, 1998 .....	\$32,548,000
Budget estimate, 1999 .....	28,360,000
Committee recommendation .....	15,360,000

The Committee recommends an appropriation of \$15,360,000 for acquisition, construction, improvements, and related expenses of the Federal Law Enforcement Training Center. The Committee recommends \$228,000 for mandatory cost increases. Because of fiscal constraints, the Committee has not recommended additional funding under this account for master plan construction projects. However, the Committee has included language under the Treasury forfeiture fund to encourage the Secretary of the Treasury to provide \$6,000,000 for construction of a new classroom building.

The "Acquisition, construction, improvements, and related expenses" account covers major maintenance and facility improve-

ments, construction, renovation, capital improvements, and related equipment at FLETC facilities in Glynco, GA, and Artesia, NM.

The Federal Law Enforcement Training Center was established in 1970 as the single interagency training organization for Federal law enforcement agencies. FLETC's concept of Governmentwide, consolidated law enforcement training is directed at promoting the highest quality training at the most reasonable cost to the American taxpayer through multiple agency support and use. FLETC, through its principal facility in Glynco, GA, now serves the basic and advanced training needs of 72 participating Federal agencies.

In June 1989, the Training Center completed its development of a master plan which will enable FLETC to better serve the training demands of Federal, State, and local law enforcement agencies. This master plan calls for the construction of additional facilities at both Center locations. The Committee expects the Department to periodically update the master plan to include new requirements demanded by the user agencies for effective law enforcement training.

#### INTERAGENCY LAW ENFORCEMENT

Appropriations, 1998 .....	\$73,794,000
Budget estimate, 1999 .....	30,900,000
Committee recommendation .....	30,900,000

The Committee recommends an appropriation of \$30,900,000 for interagency crime and drug enforcement [ICDE]. This amount is equal to the budget estimate. The Committee has included an additional \$45,000,000 under the VCRTF.

ICDE consolidates the resources of 11 Federal agencies to target and destroy major narcotics trafficking and money laundering organizations. The portion of ICDE funds formerly appropriated to the Department of Justice, for reimbursing Treasury law enforcement bureaus participating in the program, are now being directly appropriated to the Department of the Treasury. This amount will be administered by Treasury's departmental offices for continued ICDE participation by law enforcement personnel in three Treasury bureaus.

#### FINANCIAL MANAGEMENT SERVICE

##### SALARIES AND EXPENSES

Appropriations, 1998 .....	\$207,790,000
Budget estimate, 1999 .....	205,510,000
Committee recommendation .....	199,490,000

The Committee recommends an appropriation of \$196,490,000 for salaries and expenses of the Financial Management Service [FMS] in fiscal year 1999. The Committee has included language to delay obligation of \$4,500,000 for the payment of postage rates to the U.S. Postal Service, but the Committee reminds FMS that they have an obligation to pay these costs and authority under current law to do so out of available funds. The Committee notes that the administration's request includes \$6,000,000 for year 2000 conversion costs. The Committee has provided an additional emergency appropriation to address these costs.



In its financial management leadership role, the Service must manage effectively the movement of Federal funds as well as make the optimal use of Federal financial information. By doing so, FMS fulfills an obligation to the public by improving the Federal Government's overall financial position and helping to reduce the Federal deficit.

FMS oversees the Government's overall financial operations through the financial and accounting services it provides to its customers—Congress, other Federal agencies, financial institutions, and the public.

Service responsibilities include: regulation and management of the Government's collection systems; development and implementation of innovative cash management and credit administration practices in the administration of Federal programs; central payment services for all civilian executive agencies except the U.S. Postal Service, U.S. marshals, and certain Government corporations; processing claims on all lost, stolen, and forged checks including those not issued by the Treasury; providing central accounting services for the Government; compiling and publishing financial reports; and managing trust, revolving, and deposit fund accounts.

#### DEBT COLLECTION IMPROVEMENT ACCOUNT

Public Law 104–134 included the Debt Collection Improvement Act of 1996, which designated the Financial Management Service as the primary agency collecting nontax debt which is due and owed to the Government. FMS is charged with coordinating the effort among Federal agencies to collect the debt.

To assist in this effort the Committee has provided \$3,000,000 for the "Debt collection improvement" account. This account will reimburse agencies for expenses derived from agency collections of delinquent debt.

#### FEDERAL FINANCING BANK

The Federal Financing Bank was created in 1973 through legislation designed to ensure coordination of Federal and federally assisted borrowing from the public in a manner least disruptive to private financial markets and institutions. Prior to that time, many agencies borrowed directly from the private market to finance credit programs involving lending to the public. Passage of the Federal Credit Reform Act in 1992 has resulted in changes to that initial legislation such that FFB loans are now used primarily to finance direct agency activities by deposit insurance agencies, construction of Federal buildings by the General Services Administration, and meeting the financing requirements of the U.S. Postal Service. In some cases, the FFB finances direct loans to the public that would otherwise be made by private lenders and fully guaranteed by a Federal agency.

As part of the implementation of changes made to the Federal Credit Reform Act, the fiscal year 1999 budget provides an appropriation to liquidate the FFB's accumulated deficit that resulted from the fact that while FFB borrowers have been allowed to prepay at par, FFB paid a prepayment premium on the underlying obligations to the Treasury Department. The amount requested in the

fiscal year 1999 budget for this liquidation appropriation is \$2,854,000,000. Because this payment is for the exclusive purpose of liquidating public debt, OMB and CBO have determined that there are no scoring implications and that the appropriation is neutral to appropriators.

## BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

### SALARIES AND EXPENSES

Appropriations, 1998 .....	\$478,934,000
Budget estimate, 1999 .....	544,324,000
Committee recommendation .....	529,489,000

The Committee recommends an appropriation of \$529,489,000 for salaries and expenses of the Bureau of Alcohol, Tobacco and Firearms [ATF]. This amount is \$50,555,000 above the fiscal year 1998 level. The Committee has provided \$1,800,000 to the Bureau of Alcohol, Tobacco and Firearms in the VCRTF for necessary replacement of laboratory equipment and for investigative supplies.

The Committee recommends \$16,309,000 for adjustments for mandatory cost increases plus \$3,000,000 for administration of the Gang Resistance Education and Training [GREAT] Program. The Committee has included \$11,000,000 for the continuation of the youth crime gun interdiction initiative [YCGII] and an additional \$16,000,000 to expand that program. In conjunction with increases for YCGII, an additional \$4,500,000 is provided to expand the National Tracing Center. In addition, the Committee recommends \$2,000,000 to hire 15 violent crime coordinators to assist the Justice Department in their efforts to prosecute armed violent offenders. The Committee notes that the administration's request includes \$5,000,000 for year 2000 conversion costs. It is expected that ATF will receive that funding through a separate account established solely for that purpose.

The mission of the Bureau of Alcohol, Tobacco and Firearms is: (1) to reduce the criminal use of firearms and to assist other Federal, State, and local law enforcement agencies in reducing crime and violence by effective enforcement of the Federal firearms laws; (2) to provide safety for the public by reducing the criminal misuse of explosives, combating arson-for-profit schemes, and removing safety hazards caused by improper and unsafe storage of explosive materials; (3) to assure the collection of all alcohol and tobacco tax revenues and obtain a high level of compliance with the alcohol and tobacco tax statutes; (4) to suppress commercial bribery, consumer deception, and other prohibited trade practices in the alcohol beverage industry by effective enforcement and administration of the Federal Alcohol Administration [FAA] Act; and (5) to suppress illicit manufacture and sale of nontax paid alcohol beverages.

The Bureau's program objectives are as follows:

*Alcohol and tobacco programs.*—Ensure the collection of all taxes due; prevent organized crime or other unqualified applicants from obtaining permits to enter the alcohol and tobacco industries; ensure an open, competitive market for alcohol beverages; ensure protection for the consumer in alcohol beverage products; and undertake projects on regulatory reform and programs offering assist-

ance to other agencies (both regulatory and law enforcement), industry, and the public.

*Firearms program.*—Reduce illegal trafficking in firearms; assist Federal, State, and local law enforcement and regulatory agencies in reducing illegal trafficking in weapons, reducing firearms-related crime, and investigating firearms-related cases; and identify and investigate violence-prone individuals who use firearms in criminal acts.

*Explosives and arson programs.*—Reduce criminal misuse of explosives; ensure public safety regarding the storage of legal explosives; reduce arson incidents; and assist Federal, State, and local investigative and regulatory agencies in explosives and arson-related areas.

#### FEDERAL ALCOHOL ADMINISTRATION ACT

The Committee recognizes alcoholic beverages as among the most socially sensitive commodities marketed in the United States. In this connection, marketing, labeling, and advertising of alcoholic beverages must be accomplished in an environment which fosters fair and healthy competition while protecting the interests of the American consumer. The Committee expects that there be no diminution of regulatory and oversight functions in fiscal year 1999.

#### ARMED CAREER CRIMINAL APPREHENSION PROGRAM

The Armed Career Criminal Act, signed into law in 1984 and expanded by the Anti-Drug Abuse Act of 1986, provides mandatory sentences for certain violent repeat offenders who carry firearms. The Bureau, given its jurisdiction over firearms laws, has a unique opportunity to effect the apprehension of violent offenders. The success to date of the Bureau's Repeat Offender Program has surpassed initial expectations regarding apprehension, prosecution, and conviction of career criminals. The Committee notes that over 80 percent of the defendants apprehended under this program have had direct involvement in illegal narcotics trafficking.

#### STAFFING LEVELS IN SMALLER STATES AND RURAL STATES

Over the past several years the number of ATF agents in the smaller States and rural areas have steadily declined, in favor of placing agent resources in larger States with large metropolitan centers. These staffing trends have not always reflected the needs of these areas. Wisconsin is an example. Although ATF staffing has increased almost 8 percent since 1990, the staffing in Milwaukee has declined over 50 percent. The Committee urges ATF, as it reviews its staffing, to examine allocations for rural areas and small and medium States.

#### ACHILLES TASK FORCE PROGRAM

The Committee continues to support the work started by the Achilles Task Force Program and is pleased to note that the administration's request will result in continued operations at existing levels at both the Albuquerque and Houston-based sites.

## GREAT PROGRAM

Since its inception the Gang Resistance Education and Training [GREAT] Program has proved successful. The proof is reflected in the large number of State and local police agencies currently participating, and the number of those seeking to participate in the program. The Committee has included funding in the VCRTF for grants to local law enforcement organizations to allow them to participate in the program. However, this is not sufficient to fund the number of requests received from communities such as Las Cruces, NM.

The Committee believes that strong consideration should be given to applications from Las Cruces, NM and the following counties in North Carolina: Cumberland, Bladen, Wake, and Mecklenburg, as well as LaCrosse, Menominee, Oneida, and Beloit Counties in Wisconsin. These counties have demonstrated that gangs and gang-related problems exist in their communities and are looking for support from the GREAT Program in educating young people about resolving conflicts peacefully rather than through violence. The Committee strongly urges that the fiscal year 2000 budget include a significantly higher request to allow for much-needed expansion of this worthwhile program.

## NATIONAL TRACING CENTER

The Committee continues to support the practice of compiling information for the purpose of identifying individual criminal offenders and alleged offenders related to specific criminal and civil investigations. However, the Committee remains concerned that there does not appear to be a written policy regarding the collection and maintenance of records on the acquisition and disposition of firearms by Federal firearms licensees for use in criminal or civil enforcement or firearms trace systems, particularly regarding the length of time such records are kept. Therefore, the Committee directs ATF to develop such a written policy and provide a copy of that written policy to the Committee no later than March 31, 1999.

## NATIONAL TRACING CENTER EXPANSION

The Committee directs ATF to provide \$4,500,000 to expand the National Tracing Center located in Martinsburg, WV. The funding will provide space to accommodate employees working in three shifts. The funding will also provide for expansion as needed. The funding will cover the increased cost of the lease expenses (\$1,000,000); security upgrades (\$2,000,000); and additional computer systems and furniture (\$1,500,000).

## RETURN OF STOLEN FIREARMS

The Committee understands there have been instances where individuals who own a registered firearm which was reported stolen and subsequently found as a result of law enforcement efforts utilizing the Federal trace system have not been notified of the recovery of the firearm and have not had the firearm returned to them, despite the fact that the owner was not under criminal investigation and the firearm had not been seized as evidence or legally forfeited. The Committee also understands that ATF makes every ef-

fort to notify such individuals and arrange for the return of the legally owned firearm. Further, there have been indications that many State and local law enforcement offices lack sufficient resources to identify and contact the lawful owner of a firearm. Therefore, the Committee directs ATF to cooperate with State and local law enforcement to ensure the prompt return of recovered firearms to their legal owners where (1) the firearms were reported as stolen by its lawful owner; (2) the firearms have not been seized as evidence or forfeited in accordance with law; and (3) the lawful owner is not the subject of a criminal investigation.

#### SAFETY AND SECURITY STANDARDS

The Committee is concerned about the apparent lack of safety and security standards for federally licensed firearms dealers. Guns stolen from licensed gun dealers pose an increasingly significant public safety threat. It is clear that the industry and ATF need to work together to address these problems. Therefore, the Committee directs ATF to make identifying and addressing security recommendations for Federal firearms licensees a priority at the next firearms industry discussion group that convenes.

#### CRIMINAL GANG ACTIVITY ON INDIAN RESERVATIONS

The Committee wishes to acknowledge the efforts of ATF to help curtail the problem of increased criminal gang activity on Indian reservations by increasing the number of Gang Resistance Education and Training [GREAT] Program in those areas. The Committee has received information from both the Judiciary and Indian Affairs Committees that the Indian country gang problem continues to grow. Thus, the Committee hopes that the efforts of both the ATF, through the GREAT Program, and the Federal Law Enforcement Center, through training tribal law enforcement, will continue.

#### YOUTH CRIME GUN INTERDICTION INITIATIVE

The Committee acknowledges the fine work of the Bureau of Alcohol, Tobacco and Firearms in the youth crime gun interdiction initiative [YCGII], particularly its statistical analysis in "Crime Gun Trace Analysis Reports: The Illegal Youth Firearms Markets in 17 Communities" published in July 1997. These crime gun trace statistics have been helpful in identifying the types of crime guns used by particular age groups and establishing the time-to-crime rates for each crime gun type. The Committee understands that these statistics are critical to experienced trafficking investigators as they have established regional links to trafficking trends and youth and gang-related violence.

The Committee also understands that this initiative has directly led to prosecutions of individuals who illegally traffic firearms to young criminals and with the implementation of a regional enforcement strategy it has the potential to seriously address the problem of illegal trafficking. The Committee believes that an investment in experienced trafficking agents to conduct investigations arising out of leads obtained through this regional initiative is likely to have a significant impact on the number of prosecutions for illegal fire-

arms trafficking, and is likely to disrupt these illegal firearms markets.

The Committee recommends that \$27,000,000 be dedicated to YCGII, of which \$16,000,000 will be used to hire 81 experienced trafficking agents to expand the YCGII efforts in 27 cities. As part of this expansion the Committee recommends that not less than \$2,400,000 be used for the addition of 12 experienced trafficking agents, including three in Milwaukee, to implement a multifaceted regional enforcement strategy within the Midwest region including the previously identified YCGII cities of Chicago, IL, Milwaukee, WI, Gary, IN, and Minneapolis, MN. It is further recommended that ATF conduct a study of the Midwest region to analyze the rate of prosecution of firearms traffickers relative to personnel time allocated to the YCGII, and compare this performance with that of other jurisdictions. This effort can only enhance the statistics so industriously collected by ATF by measuring the impact of enforcement and intervention on those who consistently provide illegal firearms to the youth of our Nation.

In addition, in determining the new locations in which to bring the expansion of the YCGII, the Committee requests that the Bureau of Alcohol, Tobacco and Firearms give strong consideration to Aurora, CO, Denver, CO, and Omaha, NE.

#### STUDY OF RESPIRATORY HAZARDS AND THE CARCINOGENIC EFFECTS RELATED TO FIRE SERVICE SUPPRESSION AND INVESTIGATION

The Committee is concerned about the respiratory hazards faced by firefighters, fire investigators, certified fire investigators, and special agents currently enrolled in the Certified Fire Investigators Program with the Bureau of Alcohol, Tobacco and Firearms and the carcinogenic effects related to fire service suppression and investigation. ATF's vested interest in its arson mission requires consideration of these risks in order to determine what precautions should be taken and what training would be necessary to ensure proper protection of firefighters, fire investigators, and special agents.

Many nationwide studies have identified fire hazards and documented associated health risks and medical problems. All of the studies have expressed the need for further research to link the relationship between the defined hazards and cancer.

The Committee recommends that the Secretary of the Treasury conduct a survey through a competitive process to locate a medical center and university that would dedicate a research study to address this vital issue. This Committee acknowledges the fine and dedicated work in epidemiological cancer research of the Sinai Samaritan Medical Center, Milwaukee, WI, and the University of Colorado, Health Sciences Department, Boulder, CO, in collaboration with the National Jewish Hospital in Denver, CO.

#### NATIONAL INSTANT CRIMINAL BACKGROUND CHECK SYSTEM

Later this year, the Federal Bureau of Investigation [FBI] will implement the national instant criminal background check system [NICS], pursuant to the provisions of 18 U.S.C. section 922(t). The FBI has proposed in regulation imposition of a fee for its use. In addition, where an item is used as collateral to secure a loan, the

Committee understands that a NICS check will be required at the time the owner attempts to redeem the item used as collateral to secure a loan, rather than at the time the item is originally offered as collateral.

Where an item is used as collateral to secure a loan, the Committee directs the BATF to provide direction to the FBI about how to provide relief from imposition of these fees. The Committee also strongly urges the BATF to permit a NICS check on these items at the time they are offered as collateral to secure a loan, rather than when the owner attempts to redeem the item. The Committee further requests the BATF to report back to the Committee within 60 days to offer its recommendation on how to provide such relief.

#### LABORATORY FACILITIES AND HEADQUARTERS

Appropriations, 1998 .....	\$55,022,000
Budget estimate, 1999 .....	32,000,000
Committee recommendation .....	

The Committee does not recommend funding for the relocation of the ATF headquarters.

The Committee recognizes the ATF need for a more secure location for its headquarters. Unfortunately, fiscal constraints prevent the Committee from providing this funding at this time. The Committee urges ATF to work with the General Services Administration to resolve the outstanding issues concerning the location of this requirement.

#### U.S. CUSTOMS SERVICE

##### SALARIES AND EXPENSES

Appropriations, 1998 .....	\$1,522,165,000
Budget estimate, 1999 .....	1,638,065,000
Committee recommendation .....	1,630,273,000

The Committee recommends an appropriation of \$1,630,273,000 for salaries and expenses of the U.S. Customs Service. This amount is \$108,108,000 over the fiscal year 1998 level. The Committee has included language to delay obligation of \$28,480,000 until September 30, 1999, for the continuation of programs that were funded in fiscal year 1998 in the VCRTF and are now requested to be contained in the 1999 "Salaries and expenses" account.

The Committee has recommended a funding level which includes adjustments for mandatory cost increases, as well as funding to maintain current levels. In addition, the Committee has included funding for the international child labor initiative as well as \$4,200,000 for integrity assurance measures.

The U.S. Customs Service is the primary border enforcement agency and a major revenue producer. Customs administers and enforces the Tariff Act of 1930 and some 400 other provisions of laws and regulations of 40 other Federal agencies governing international traffic and trade. The mission is multifaceted and mandates the Service to:

- Control, regulate, and facilitate the movement of carriers, persons, and commodities between the United States and other nations;

- Protect the American consumer and the environment against the introduction of hazardous and noxious products; and protect American industry and the American worker against unfair competition from foreign manufacturers;
- Assess, collect, and protect the revenue accruing to the United States from duties, taxes, and fees incident to international traffic and trade;
- Detect, interdict, and/or investigate:
  - Smuggling and other illegal practices designed to gain illicit entry into the United States of prohibited articles, narcotics, and other contraband;
  - Fraudulent activities calculated to avoid the payment of taxes and fees, or to evade the legal requirements of international traffic and trade;
  - Illegal transfers of critical technology to foreign nations for the building of their military systems, thus posing a threat to our national security; and
  - Illegal international trafficking in arms, munitions, and currency.

#### ANTIDRUG EFFORTS ON THE NORTHERN BORDER

The Customs Service has taken steps to deploy x-ray technology at ports of entry along the Southwest border in its effort to enhance inspection of heavily loaded tractor trailers. The Customs Service, in a recently released report, has determined that this technology is effective in detecting illicit narcotics as well as other contraband. The Committee recognizes that smuggling is not unique to the Southwest border but occurs along the Northern border as well. The Committee would like the Customs Service to take smuggling rates along the Northern border into consideration when determining the location of x-ray systems.

#### AUTOMATION ENHANCEMENTS

The administration has requested \$8,000,000 for Customs Service automated commercial environment for fiscal year 1999 and the Committee has provided full funding.

#### CUSTOMS INTEGRITY AWARENESS PROGRAM [CIAP]

The Committee has provided funding to Customs Office of Internal Affairs to improve hiring methodologies ensuring that applicants are of the highest quality and integrity and improve the recruitment process to include the use of written tests, suitability assessments, structured interviews, and a redesigned employment process. The Committee has provided a total of \$4,200,000 to carry out this program, of which \$1,200,000 will be transferred to the Office of the Under Secretary of the Treasury in its oversight capacity to assist the Customs Service in this effort.

#### STAFFING AND SERVICE LEVELS AT CUSTOMS PORTS OF ENTRY

The Committee continues to believe that the services provided through the Charleston, WV, Customs office are very important to the State of West Virginia and the Nation as a whole. For this reason, the Committee expects the Service to maintain the level of



services provided in fiscal year 1996 through fiscal year 1999 at this office.

The Committee continues to believe that the policy of providing part-time and temporary inspectors at the Honolulu International Airport is an effective way to handle the large and increasing volume of passengers arriving and departing this very busy airport in Hawaii. The Committee has again included \$750,000 for part-time and temporary positions in the Honolulu Customs District. This action is intended to enhance and not supplant current staffing levels. Amounts included in this account are sufficient to maintain staffing levels at this airport through fiscal year 1999 at the fiscal year 1997 level.

The Committee expects the Customs Service to ensure that staffing levels are sufficient to staff and operate all New Mexico border facilities.

Legitimate, as well as illicit, trade and traffic continue to grow in the State of Florida. Customs should give a high priority to funding sufficient inspection personnel at ports of entry in Florida for fiscal year 1999.

The Committee understands that increasing trade between Canada and the United States may require improvements in Customs Service facilities to prevent congestion or backups. The Committee directs the Customs Service to continue to provide adequate personnel to meet current border crossing needs along the Northern border.

Over the years Customs personnel in smaller States as well as rural areas have declined considerably. Problems facing these areas have not necessarily declined, and the Committee urges Customs, as it reviews its staffing requirements, to consider the allocation to smaller States and rural areas with particular emphasis on Vermont.

#### GREAT FALLS, MT

The Committee directs the Customs Service to evaluate the staffing levels at the area port at Great Falls, MT, and report back to the Senate Committee on Appropriations within 9 months after enactment of this act. The study should include current full and part-time staffing, the impact of seasonal and long-term staffing pressures, as well as possible solutions for providing adequate staffing to Great Falls. The Customs Service may want to consider examining the Postal Service's existing authority regarding the hiring of retired employees to relieve seasonal staffing pressures.

#### TECATE, CA

The Committee is aware of concerns about the proposed expansion by the U.S. Customs Service and General Services Administration of the port of entry [POE] at Tecate, CA. Such expansion could impact traffic safety and the environment in the back country region of southern San Diego County and force a costly \$300,000,000 road project on the State of California.

The Committee has no doubt that the current POE must be renovated to: (1) improve inspections for illegal drugs and other contraband, (2) eliminate hazardous safety conditions, (3) improve ad-

ministrative facilities, and (4) upgrade water supply, wastewater, and storm water facilities.

To ensure that the increased capacity meets those needs and does not negatively impact surrounding communities, the Committee directs that of the construction or renovation funds provided to the Administrator for improvements at the Tecate POE, no funds may be used to provide any additional vehicle inspection bays in addition to the existing number of vehicle inspection bays, unless an additional bay is needed strictly for law enforcement purposes.

#### INTERNATIONAL TRADE COMPLIANCE CENTER STUDY

The Committee instructs the Customs Service to conduct a feasibility study on the creation of an international freight processing center in McClain County, OK. The Committee expects that the study will examine the feasibility of an international trade processing center in McClain County as it relates to other major trade corridors.

#### CHILD PORNOGRAPHY

The Committee directs the Customs Service to continue providing \$75,000 of available funds to promote public awareness for the child pornography tipline, including ongoing efforts to make children aware of the tipline, in fiscal year 1999. The Committee recommends that the U.S. Customs Service continue to coordinate this promotional effort with the National Center for Missing and Exploited Children and the U.S. Postal Service to ensure that the publicity is diversified and effective.

The Committee fully supports Customs' work in battling child pornography and is impressed with the successes Customs has had given the limited resources. The Committee, therefore, directs Customs to double the full-time equivalent staffing resources for the cybersmuggling of child pornography.

#### PROJECT ALERT

The Committee instructs the Customs Service to provide no less than \$200,000 to the National Center for Missing and Exploited Children for the training of retired law enforcement officers to assist in the investigation of unsolved missing children cases nationwide. The Committee anticipates that these funds will be in addition to other funds available to the center for these purposes.

#### DRUG INTERDICTION OPERATIONS

Through the years Customs has had to react to changing smuggling modes. Drug interdiction methods have been adjusted to challenge this ever changing threat. This effort has proved effective through the years. Yet, vigilance remains the watchword. Currently, emphasis is being placed on interdiction efforts in Caribbean waters around Puerto Rico and the U.S. Virgin Islands. Lessons learned from efforts off the Florida coast have proved very successful. The Committee reminds Customs that the threat can shift very quickly, and that appropriate attention should be given to ensure that the Florida coast is adequately covered by air and marine assets.

## VEHICLE CONTAINER INSPECTION SYSTEMS [VACIS]

The Committee continues to support Customs' effort to utilize technology as an effective tool to carry out its drug interdiction responsibilities particularly given resource constraints. One successful example of this is the vehicle and container inspection systems [VACIS], which uses highly penetrative gamma rays to nonintrusively inspect freight. The Committee recommends that Customs consider the use of this technology for the inspection of railway cars.

## PULSED FAST NEUTRON ANALYSIS

The Committee understands there may be benefits to the pulsed fast neutron analysis [PFNA] nonintrusive inspection system. The Committee believes that technology plays an important role in counterdrug activities and understands the potential value that technologies such as this have for increasing the effectiveness of law enforcement. Although this technology shows promise, it has not yet developed beyond the testing stage and, therefore, is not available for full-scale deployment and operational use by agencies. Therefore, the Committee directs that the Commissioner of Customs enter into negotiations with the private sector to conduct a field test of this technology which shall be conducted at no cost to the Federal Government. The General Accounting Office is directed to submit a report on this field test and how the technology compares to existing nonintrusive inspection technologies. The GAO shall consult with the Senate Appropriations Committee on the parameters of this audit.

## PRECLEARANCE OF TRAINS

The Committee encourages the Blaine, WA, Area Port Director to continue current onboard clearance procedures for Amtrak passengers traveling inbound from Vancouver, BC, to the United States, provided that Amtrak does not substantially change the configuration of cars, the current baggage-handling procedures, or existing train schedule. In addition, the Committee encourages the Blaine, WA, Area Port Director and Amtrak to work together in the future as Amtrak implements expanded service.

## VERMONT WORLD TRADE OFFICE

The Committee understands that the Vermont World Trade Office has been overwhelmed by requests from companies interested in exploring opportunities. To meet that demand and to make the office more convenient to Vermont businesses, the Committee provides \$500,000 to expand World Trade Office services.

## OPERATION AND MAINTENANCE, AIR AND MARINE INTERDICTION PROGRAMS

Appropriations, 1998 .....	\$92,758,000
Budget estimate, 1999 .....	98,488,000
Committee recommendation .....	98,488,000

The Committee recommends an appropriation of \$98,488,000 for operation and maintenance activities of the Customs air and ma-

rine interdiction programs. This amount equals the budget request. The Committee has included language to delay obligation of \$20,100,000 for the operation and maintenance of marine vessels, aircraft, and other related equipment of the air and marine programs.

The operation and maintenance, air and marine interdiction programs will cover expenses incurred by the Customs Service for operating and maintaining aircraft, boats, radar, and equipment necessary to carry out its air and marine interdiction missions. This account also includes operational training, mission-related travel, and special operations directly associated with the air and marine interdiction programs. This account covers the essential costs associated with operating and maintaining the military aircraft and equipment that has been, and will continue to be, loaned to Customs for use in its air interdiction mission.

The Customs Service is the frontline in drug interdiction. The air and marine efforts compose a major element of the country's firstline interdiction effort. In recent years the strategy has changed, but the problem remains the same. The Committee has iterated over and over how important air and marine efforts are to deterring narcotics smuggling. These efforts have proven extremely effective. The change in the drug control strategy does not eliminate the need for continued vigilance.

#### DRUG INTERCEPTOR AIRCRAFT

The Committee remains concerned about the Customs Service's drug interceptor aircraft fleet and their effectiveness. The Committee directs the Customs Service to provide a report by March 1, 1999, on the cost effectiveness of repair as well as the potential benefits of transferring any retired interceptor aircraft to source and transshipment countries.

#### LONG-RANGE BLUE WATER VESSELS

The Committee recognizes the importance of the long-range blue water vessels as an operational component of Customs' marine interdiction strategy. The Committee understands the difficult choices the Customs Service has had to make with regard to the marine interdiction program given current budgetary constraints, and applauds its continued successes in spite of current funding conditions. The Committee urges the Customs Service to continue to operate and maintain its fleet at a level which is safe for its agents.

#### HARBOR MAINTENANCE FEE COLLECTION

Appropriations, 1998 .....	\$3,000,000
Budget estimate, 1999 .....	3,000,000
Committee recommendation .....	3,000,000

The Committee concurs with the budget request which provides \$3,000,000 to be transferred from the harbor maintenance trust fund to the Customs Service "Salaries and expenses" appropriation.

The harbor maintenance fee was established to provide resources to the Army Corps of Engineers for the improvement of American channels and harbors. The fee is assessed on the value of commer-

cial imports and exports delivered to and from certain specified ports. The fee is collected by the Customs Service and deposited into the harbor maintenance trust fund. The transferred funds will offset the costs incurred by Customs in collecting these fees.

#### U.S. MINT

The Mint manufactures coins, receives gold and silver bullion, safeguards the Government's holdings of monetary metals, and refines gold and silver bullion. The manufacture of domestic coins is the major activity of the Mint. Coins are ordered from the Mint by the Federal Reserve banks in quantities required for the country's business transactions. Thus, the volume of the coinage program is determined by the public need for coins.

Public Law 104-52 established the U.S. Mint public enterprise fund which authorizes the U.S. Mint to use proceeds from the sale of coins to finance the cost of its operations. The enactment of this legislation has eliminated the need for future appropriations to support the mission of the Mint.

#### DELAY IN PAY ADJUSTMENT

The Committee expects the U.S. Mint to implement a policy for pay adjustments for their police officers so that in the future when pay adjustments are required there will be no delay as has been the case in some previous years. The Committee is also aware that the Bureau of Engraving and Printing has experienced this problem.

#### BUREAU OF ENGRAVING AND PRINTING

The Bureau of Engraving and Printing, the world's largest securities manufacturing establishment, operates on the basis of authority conferred upon the Secretary of the Treasury by 31 U.S.C. 321(a)(4) to engrave and print currency and security documents. Additional authority is derived from past appropriations made to the Bureau for work to be undertaken. The operations of the Bureau are currently financed by means of a revolving fund established in accordance with the provisions of Public Law 81-656, August 4, 1950 (31 U.S.C. 5142). This fund is reimbursed by other Government agencies for the direct and indirect costs of the Bureau, including its administrative expenses, incidental to performing the work or services requisitioned.

Public Law 95-81, July 31, 1977, (31 U.S.C. 5142(c)(3)) increased the Bureau's fund and authorized the establishment of reimbursement prices from customer agencies at a level intended to provide funding for the acquisition of capital equipment and future working capital. This should preclude future requests for appropriations.

The Bureau designs, manufactures, and supplies most of the major evidences of a financial character issued by the United States. It is the sole source of U.S. currency, various public debt instruments, as well as most other evidences of a financial character issued by the United States, such as postage stamps. The Bureau executes certain printings for various territories administered by the United States, particularly postage and revenue stamps. It conducts extensive research and development programs for improv-

ing the quality of products, reducing manufacturing costs, and for strengthening deterrents to the counterfeiting of Government securities. It manufactures inks and plates used for its products; purchases materials, supplies, and equipment; provides maintenance services for its buildings and plant machinery and equipment; and stores and delivers its products in accordance with requirements of customer agencies. The Bureau is responsible for the accountability and destruction of its security waste products. The Bureau also renders services to other Government agencies such as security, custodial, and elevator services in areas of its buildings occupied by another Treasury bureau.

The budget estimates are determined primarily by two factors; namely, (1) the volume of production of the various items needed to meet the estimated requirements of customer agencies, and (2) the unit cost of manufacturing each type of item produced. The unit cost of production of each item manufactured is developed through a detailed system of cost accounting and adjusted to reflect all known factors which will affect the cost of production during the current budget year. Such factors include pay rate and material price increases expected to occur during the current year, as well as estimated savings resulting from improvements in production procedures.

No direct appropriation is required to cover the activities of the Bureau.

#### DISTINCTIVE CURRENCY PAPER SOLICITATION

The Committee believes that the Bureau of Engraving and Printing [BEP] and the Treasury Department have taken the steps necessary within the law to ensure competition in the procurement of distinctive currency paper with the issuance of Solicitation No. BEP-97-13 [TN] seeking bidders for a 4-year contract. Therefore, the Committee directs the BEP and the Department of the Treasury to award the contract which will permit an uninterrupted source of currency paper upon the expiration of the contract for Solicitation 97-10 on September 5, 1999.

The Committee notes that the current law governing the procurement of distinctive currency paper requires open competition and thus allows for competition by a U.S. paper company which wishes to invest in this specialty paper business. Nevertheless, the Committee recognizes and commends the BEP for the considerable efforts it has put forth to enhance the already open competition process.

While commending the BEP for its efforts, the Committee cautions the BEP that in its efforts to obtain competition, it should not increase the overall costs to the Government, threaten the supply of currency paper, or reduce the present paper standards on quality. Further, the BEP should not entertain ideas of subsidies or financial incentives which have the effect of favoring one vendor over another, or artificially creating excess currency production capacity. In the long run such measures are likely to increase the Government's cost of acquiring paper.

## DOLLAR NOTE

The Committee directs BEP to ensure that any redesign of the \$1 note only include minor modifications to assist the visually impaired community. The introduction of this design is to begin no later than January 1, 2000.

## BUREAU OF THE PUBLIC DEBT

## ADMINISTERING THE PUBLIC DEBT

Appropriations, 1998 .....	\$169,426,000
Budget estimate, 1999 .....	173,100,000
Committee recommendation .....	172,100,000

The Committee recommends an appropriation of \$172,100,000 for the Bureau of the Public Debt in fiscal year 1999. The Committee recommendation is \$1,000,000 less than the budget estimate. The Committee notes that the administration's request includes \$1,000,000 for year 2000 conversion costs. The Committee has provided an additional emergency appropriation to address these costs.

The Bureau of the Public Debt is responsible for administering the laws and regulations pertaining to public debt financing and operations within the framework of policies established by the Secretary of the Treasury. The Bureau's primary concerns are with the issuance, servicing, and retirement of public debt securities, and accounting for the public debt and its related interest cost. It also has a general responsibility for the conduct or direction of transactions in public issues of those Government agencies for which the Treasury acts as agent.

This appropriation currently provides funds for: the direct operating costs of the Bureau of the Public Debt including the Office of U.S. Savings Bonds; the payment of fees at stipulated rates to financial institutions and others; and the payment of postage and registry fees to the U.S. Postal Service for delivering securities.

The Office of U.S. Savings Bonds is charged with reducing Federal spending by promoting the sale and retention of U.S. savings bonds. In addition to helping the U.S. Government finance its debts in the least expensive and least inflationary way possible, savings bonds provide Americans with an effective, systematic way to save through the payroll savings plan. The program is also intended to create a partnership of direct participation of American business, labor, banking, media, and community groups, as well as to provide the opportunity for all citizens to voluntarily participate in the financing of their Government.

## INTERNAL REVENUE SERVICE

## SUMMARY

The Committee has recommended a total of \$7,851,807,000 for the Internal Revenue Service [IRS] in fiscal year 1999. This amount is \$487,046,000 below the budget estimate and \$109,954,000 above the fiscal year 1998 enacted level.

## INTERNAL REVENUE SERVICE REORGANIZATION

The Committee is pleased that the Department of the Treasury and the Internal Revenue Service are taking congressional concerns seriously. Efforts by the Secretary of the Treasury to incorporate much needed changes into the collection of revenues through the appointment of a Commissioner with strong management and organizational skills are to be praised.

Equally praised is the Commissioner's announcement of a reorganization of the IRS. The impending organizational modernization and reorganization is critically important to the future of the Internal Revenue Service. The development of an agency that can collect owed taxes while providing taxpayers fair and equitable services should be the norm; however, it has not been the system taxpayers have experienced. Developing an organization around taxpayer lines of business, expanding telephone and office hours, offering taxpayers services at more convenient locations, and improving the IRS's ability to track complaints should provide taxpayers timely and accurate answers to their questions and concerns. The expansion of electronic filing options by offering more electronic forms, expanding telefile, and the introduction of new electronic payment options should result in an IRS that provides quicker, error free transactions.

The Committee fully supports the use of available resources to independently assess the modernization concept, define the organization architecture, and develop detailed organization, implementation, and sequencing plans.

## ELECTRONIC TAX ADMINISTRATION PROGRAMS

The Committee continues to believe that electronic tax filing will benefit taxpayers while at the same time reduce processing costs for the Internal Revenue Service. The Committee has included a provision to authorize the Secretary of the Treasury to encourage the use of electronic tax administration programs. However, the Committee feels very strongly that all such electronic transmissions must be secure and that the privacy of taxpayer information should be fully protected. Therefore, the Committee has included a provision requiring the IRS to provide for such security.

In addition, the Secretary of the Treasury is authorized to allow the payment of incentives to commercial entities for providing such electronic filing services, provided that the service is provided without charge to the taxpayer.

## TAXPAYER EDUCATION

A major challenge facing the IRS is the lack of basic understanding among our citizens about the Internal Revenue Service, not to mention the Tax Code itself. There should be a way to educate people, starting at the most fundamental levels, on the history of our system of taxation as well as how the IRS Code was created, how it is amended, and citizens' rights and responsibilities. A good place to start this education effort is with our children.

The Committee believes that the IRS could do more to educate taxpayers, and future taxpayers, of this country. Therefore, the Committee recommends that the IRS consider establishing a na-



tional taxpayer education initiative. IRS employees—such as tax auditors and revenue agents—could be encouraged to visit schools to talk about the history of our tax system as well as taxpayers rights and responsibilities, much like local police and firemen who currently give talks at schools.

Therefore, the Committee requests that the IRS study the feasibility of such an initiative and provide an analysis to the Committee by March 1, 1999.

#### PROCESSING, ASSISTANCE, AND MANAGEMENT

Appropriations, 1998 .....	\$2,925,874,000
Budget estimate, 1999 .....	3,162,430,000
Committee recommendation .....	3,077,353,000

The Committee recommends an appropriation of \$3,077,353,000 for processing, tax assistance, and management. This amount is \$151,479,000 above the fiscal year 1998 level. The Committee recommends \$90,650,000 for adjustments for mandatory cost increases and \$18,145,000 for the IRS customer service initiative. The Committee agrees to the administration's request to transfer \$70,279,000 from the "Tax law enforcement" account, but does not recommend the transfer of funds from the "Information systems" account. The Committee has included language to delay obligation of \$105,000,000 for the payment of postage rates to the U.S. Postal Service, but the Committee reminds the IRS that they have an obligation to pay these costs and authority under current law to do so out of available funds.

The "Processing, assistance, and management" appropriation provides for processing tax returns and related documents; assisting taxpayers in filing of their returns and in paying taxes that are due; matching information returns with tax returns; internal audit and internal security; and management of financial resources, rent, and utilities.

Mission statements of each of the program activities under this account are as follows:

*Submission processing.*—Provide for all actions associated with receipt of completed returns and payments, deposit of those payments, processing and accounting for revenue collections and Federal Tax Deposits, and verification of the accuracy of information provided by the taxpayer through an automated master file system. Provide for payment of refunds, offset of refunds against delinquent accounts, issuance of notices that payments are overdue, identification of possible nonfilers for investigation, and assistance in the selection of tax returns for audit.

*Telephone and correspondence.*—Aid voluntary compliance with Federal tax laws by informing taxpayers of their responsibilities and by providing services and information through various media which assist them in meeting their obligations. Provide for responding to inquiries concerning tax laws, IRS bills and notices, and resolving tax account problems.

*Document matching.*—Process information returns, such as wage, dividend, and interest statements and matches them with related individual income tax returns. This enables the Service to identify income reporting discrepancies, unsubstantiated deductions, and nonfiling of tax returns and to verify facts and amounts in question

through taxpayer contact prior to assessing additional tax or refunding excess credits.

*Inspection.*—Protect public confidence in the integrity of the IRS. Internal audit independently reviews service programs at the national, regional, and local levels to ensure that laws and regulations are being followed, that management and financial internal controls are in place, that programs and major ADP systems are functioning effectively and efficiently, and that appropriated funds are spent as authorized. Internal security conducts background investigations to maintain the integrity of the IRS work force against fraud and drug abuse and protect the Service against outside attempts to bribe, intimidate, or harass its employees.

*Management services.*—Set policies and goals, provide leadership and direction for the Service, and provide servicewide policy guidance for managing contract administration and procurement programs, conducting strategic and organizational planning, and developing and managing the human, logistical, and financial resources required to fulfill the Service's mission in performing tax administration. Also provides all administrative services for IRS national office and field installations.

*Rent and utilities.*—Provide rent and utilities for the entire Service.

#### IRS STAFFING PLANS

The Committee continues to support adequate staffing levels for effective tax administration and supports the staffing plans for the Internal Revenue Service facilities in the communities of Martinsburg and Beckley, WV. Therefore, the Committee urges the IRS, within the constraints of the fiscal year 1999 funding levels, to make only minimal, if any, staffing reductions at the Martinsburg National Computer Center and the programmed level at the Administrative Services Center in Beckley, WV.

#### TAX COUNSELING FOR THE ELDERLY

The Committee once again believes that the Tax Counseling Program for the Elderly has proven to be most successful. To meet the goals of this program, \$3,700,000 is included within the aggregate amount recommended by the Committee for processing tax returns and assistance in fiscal year 1999. This amount represents the same level as provided for this program since fiscal year 1994. To ensure that the full effect of the program is accomplished, the IRS is directed to cover administrative expenses within existing funds.

#### TAXPAYER SERVICES IN ALASKA AND HAWAII

Given the remote distance of Alaska and Hawaii from the U.S. mainland, the many tax compliance issues unique to the communities and geography in these States, and the difficulty in receiving needed assistance by the national toll-free line, the Committee believes that the Internal Revenue Service should maintain a problem resolution specialist position, current problem resolution positions assisting the problem resolution officer and associate problem resolution officers, and tax examination personnel of appropriate number and grade within each of the States of Alaska and Hawaii.

## TAX LAW ENFORCEMENT

Appropriations, 1998 .....	\$3,142,822,000
Budget estimate, 1999 .....	3,169,539,000
Committee recommendation .....	3,164,399,000

The Committee recommends an appropriation of \$3,164,399,000 for tax law enforcement activities in fiscal year 1999. This amount is \$21,577,000 above the fiscal year 1998 level. The Committee recommends \$107,892,000 for adjustments for mandatory cost increases and \$210,000 for the customer service initiative. The Committee has included language to delay obligation of \$175,000,000.

The "Tax law enforcement" appropriation provides for the examination of tax returns, both domestic and international, and the administrative and judicial settlement of taxpayer appeals of examination findings. It also provides for technical rulings, monitoring employee pension plans, determining qualifications of organizations seeking tax-exempt status, examining tax returns of exempt organizations, enforcing statutes relating to detection and investigation of criminal violations of the internal revenue laws, collecting unpaid accounts, compiling statistics of income and compliance research, and securing unfiled tax returns and payments.

*Criminal investigations.*—Provides for enforcement of criminal statutes relating to violations of internal revenue laws. Investigates cases of suspected intent to defraud, recommends prosecution as warranted, and assists in the preparation and trial of criminal tax cases. Financial investigations expose money laundering schemes through a variety of methods, including currency transaction reports.

*Examination.*—Encourages voluntary compliance with the internal revenue laws through the determination of correct tax liability by the selective examination of tax returns, the correction of errors, and explanation of these corrections to taxpayers. The appeals portion of this activity provides staffing, training, and direct support to allow for an administrative review process that provides a channel for impartial case settlement prior to cases being docketed in a court of law.

*Collection.*—Collects unpaid accounts and secures delinquent returns; develops and implements programs to prevent tax accounts from becoming delinquent; determines and analyzes reasons for tax accounts that become delinquent; and develops, implements, and measures programs that analyze the reasons for types and degrees of nonfiling.

*Employee plans and exempt organizations.*—Monitors private pension plans to ensure compliance with the Employee Retirement Income Security Act of 1974, as amended. Organizations apply for tax-exempt status, which is determined by this activity, through the application of certain tests. By examining tax returns of tax-exempt organizations, it monitors and ensures compliance with current tax laws regarding tax-exempt organizations.

*Statistics of income.*—Publishes statistics of income reports on the operation of income tax laws, as required by the Internal Revenue Code for the Congress and its committees; for administrative use by the Secretary of the Treasury and the Commissioner of In-

ternal Revenue; and for the Federal benchmark statistical programs on income, wealth, and finance.

#### TAXPAYER PROTECTION

The Committee remains concerned that taxpayers receive adequate protection from undue enforcement actions particularly when no intentional misconduct is alleged by the IRS. The Committee intends to continue to ensure that taxpayers rights are being respected by the IRS and that taxpayers are treated equitably under the law.

#### TRANSFER PRICING

The Committee is concerned about the Nation's loss of revenue as a result of foreign corporations employing transfer pricing. Transfer pricing, utilized by State trading enterprises, reallocates items of income and deduction among entities under common control. Reallocation of the income and deduction results in minimizing the U.S. tax of foreign corporation's U.S. affiliates. Since the foreign parent corporations do not normally do business in the United States, their income is completely free from U.S. tax.

To ensure the Internal Revenue Service is vigorously administering section 482 of the Internal Revenue Code which empowers the Secretary of the Treasury to distribute, apportion, and allocate items of gross income deduction between the parent corporations and their U.S. affiliates, the Committee directs the Internal Revenue Service to review and report to Congress no later than 6 months after enactment of this bill on the following issues: IRS's loss of revenue as a result of transfer pricing; detailed information on IRS's administration of section 482 to distribute, apportion, and allocate items of gross income and deduction; and recommendations on how to improve the collection of revenue from trading enterprises.

#### TAX STANDARDS FOR TAX-EXEMPT HEALTH CLUBS

The Committee is aware there has been significant growth in health club and fitness services. Intensified competition has developed a market for profit- and tax-exempt health clubs. With certain tax-exempt organizations moving away from their core purpose, questions arise as to whether they are engaging in commercial competition with the for-profit sector. For clarification on these issues, the Committee requests that the IRS review the legal standards and precedential decisions the IRS utilizes in determining when fitness services and activities of tax-exempt organizations should be subject to unrelated business income tax. The Committee further requests that the Department of the Treasury report to Congress by April 1, 1999, on the statutory and regulatory changes that may be required to assure that tax-exempt health clubs are not unfairly competing against private sector organizations.

#### EARNED INCOME TAX CREDIT

Appropriations, 1998 .....	\$134,000,000
Budget estimate, 1999 .....	143,000,000
Committee recommendation .....	143,000,000

The Committee recommends an appropriation of \$143,000,000, which is equal to the budget request.

This appropriation provides for expanded customer service and public outreach programs, strengthened enforcement activities, and enhanced research efforts to reduce overclaims and erroneous filing associated with the earned income tax credit [EITC].

Expanded customer service includes dedicated, toll-free telephone assistance, increased community-based tax preparation sites, and a coordinated marketing and educational effort (including paid advertising and direct mailings) to assist low-income taxpayers in determining their eligibility for EITC. Improved compliance includes increased staff and systemic improvements in submissions processing, examination, and criminal investigation programs. In returns processing, new procedures include expanded use of math error authority and the identification of EITC-based refund claims involving invalid or duplicate primary, secondary, and dependent tax identification numbers [TIN's]. Increased examination coverage, prior to issuance of refunds, reduces overpayment and encourages compliance in subsequent filing periods. In addition, postrefund correspondence audits by service center staff aids in the recovery of erroneous refunds. Criminal investigation activities target individuals and practitioners involved in fraudulent refund schemes and generate referrals of suspicious returns for followup examination. Examination staff, assigned to district offices, audit return preparers and may apply penalties for noncompliance with due diligence requirements.

Enhanced research activities and projects focus on EITC claimant characteristics and patterns of noncompliance and are designed to improve education and outreach products, strengthen IRS abuse detection capabilities, and measure the effects of servicewide programs on compliance levels for the EITC-eligible taxpayer population. This appropriation also funds the development of specialized research data bases and masterfile updates, reimbursement to the Social Security Administration [SSA] for enhancements to the SSA numbering systems, and cooperative efforts with State vital statistics offices.

#### INFORMATION SYSTEMS

Appropriations, 1998 .....	\$1,272,487,000
Budget estimate, 1999 .....	1,540,884,000
Committee recommendation .....	1,329,486,000

The Committee recommends an appropriation of \$1,329,486,000 for information systems activities in fiscal year 1999. The Committee recommends \$43,939,000 for adjustments for mandatory cost increases and \$42,030,000 for the customer service initiative. The Committee also recommends that \$33,300,000 be allocated for examination laptops. The Committee has included language to delay obligation of \$68,700,000 requested for the modernization program infrastructure. The Committee notes that the administration's request includes \$234,000,000 for year 2000 conversion costs. The Committee has provided an additional emergency appropriation to address these costs.

The "Information systems" appropriation provides for servicewide data processing support, including the evaluation, development,

and implementation of computer systems, including software and hardware requirements.

*Operational information systems.*—Provides for servicewide automation support for the processing, assistance and management, and tax law enforcement appropriations. This activity also includes those tax system modernization projects that have advanced from the developmental phase to an operational mode after servicewide implementation and acceptance.

*Developmental information systems.*—Provides for major redesign and acquisition of the basic information systems infrastructure needed to achieve a fully integrated framework for tax administration operations. This includes implementing a redesigned tax administration system, developing a target architecture, replacing equipment at major field installations, and executing other major redesign efforts.

#### SERVICE CENTER CONSOLIDATION

The Internal Revenue Service has computer systems supporting the revenue processing requirements at 10 separate service centers. To reduce costs, streamline operations, and improve services, the IRS proposed centralizing and upgrading the centers through a consolidation of the processing systems. The consolidation ensures the IRS processing systems are year 2000 compliant, cost effective, efficient, and adaptable to tax systems modernization initiatives of the future. The Committee supports this plan and encouraged the IRS to proceed with this effort to achieve cost savings included in the fiscal year 1999 budget estimates. The Committee also encouraged the IRS to pursue this effort as a model for future projects by producing a much needed information technology success.

The consolidation project, started in July 1997, was estimated to have a life cycle cost of \$321,000,000 and was scheduled to be completed within 17 months (December 1998). Recently, the Committee was informed that the estimated cost could increase 12 percent (\$321,000,000 plus \$37,800,000) and will be delayed for an additional 10 months (October 1999). According to the IRS, the revised schedule will reduce filing season risk in 1998 through 2000, will minimize impacts on year 2000 requirements, and will allow the service centers to provide a higher level of performance and responsiveness regarding disaster recovery. While the Committee supports these changes, the IRS's ability to estimate costs, to calculate schedules, to meet milestones, or to manage contracts connected with information technology efforts is questioned. As a result, the Committee directs the IRS to provide monthly reports to the Treasury Department's Chief Information Officer and quarterly reports to the Senate Committee on Appropriations on the consolidation effort. In addition, the Committee expects the IRS to fund the completion as a performance-based project by absorbing fiscal year 1999 costs and any potential cost overruns.

However, the Committee believes the most important effort the IRS must make is to provide fair and equitable treatment of taxpayers. As a result, the Committee requests the IRS: (1) review all penalties to determine fairness, effectiveness, and consistency of application, (2) reevaluate all performance measures and report to the Senate Committee on Appropriation on the standards to bench-

mark employee performance, and (3) review existing rules regarding taxpayer privacy to ensure that it is providing the highest standards of taxpayer protection.

#### INFORMATION TECHNOLOGY INVESTMENTS

Appropriations, 1998 .....	\$294,670,000
Budget estimate, 1999 .....	323,000,000
Committee recommendation .....	137,569,000

The Committee has provided \$137,569,000 for future computer systems modernization efforts. This is in addition to the \$294,670,000 which is currently in this account. The Committee supports wholeheartedly the concept of the IRS modernization, but believes much more work needs to be done before any computer systems procurement can actually commence.

The Committee is encouraged by the management change within the IRS and believes that the agency has made significant progress in developing a plan for modernization of the tax processing systems. However, the Committee continues to be concerned that the IRS does not have the adequate management systems in place to invest in a modernization of the information technology systems at this time. To ensure that funding provided for this effort is spent efficiently, the Committee directs that the fiscal year 1998 funding restrictions be continued including: (1) none of the funds may be obligated until the IRS and the Department of the Treasury submit to Congress a plan for expenditure that implements a GAO approved modernization blueprint, (2) the plan must meet the information system investment guidelines established by OMB; and (3) the plan must be reviewed and approved by the IRS Investment Review Board, the Treasury Investment Review Board and the Office of Management and Budget. In addition, funds may not be obligated until the IRS: (1) demonstrates how it has corrected its documented technical management weaknesses, (2) shows that it has followed its systems life cycle processes, and (3) reorganizes its organization around business lines and a management team for the new structure is in place.

The Committee strongly supports the new Commissioner's vision on how to solve many of the IRS' most vexing problems. As the Service moves toward the selection of a prime contractor team for its systems modernization effort, the Committee strongly encourages the IRS to coordinate with the prime contractor on its business and technology challenges.

#### IRS—ADMINISTRATIVE PROVISIONS

The Committee has recommended approval of the following administrative provisions for the Internal Revenue Service:

Section 101 continues a provision which authorizes the IRS to transfer up to 5 percent of any appropriation made available to the agency in fiscal year 1998, to any other IRS account. The IRS is directed to follow the Committee's reprogramming procedures outlined earlier in this report.

Section 102 continues a provision which maintains a training program in taxpayer's rights and cross-cultural relations.

Section 103 continues a provision which requires the IRS to maintain taxpayer services at not less than 1995 levels.

Section 104 continues a provision which prohibits the expenditure of funds for the collection of taxes unless the conduct of officers and employees of the IRS complies with the Fair Debt Collection Practices Act.

Section 105 continues a provision which requires the IRS to institute and enforce policies and procedures which will safeguard the confidentiality of taxpayer information.

Section 106 continues a provision which directs that funds shall be available for improved facilities and increased manpower to provide sufficient and effective 1–800 telephone assistance and that the Commissioner shall continue to make this a priority.

Section 107 continues a provision which provides that no reorganization of the field office structure of the Internal Revenue Service Criminal Investigation Division will result in a reduction of criminal investigators in Wisconsin and South Dakota from the 1996 level.

#### U.S. SECRET SERVICE

##### SALARIES AND EXPENSES

Appropriations, 1998 .....	\$564,348,000
Budget estimate, 1999 .....	594,657,000
Committee recommendation .....	584,902,000

The Committee recommends an appropriation of \$584,902,000 for the U.S. Secret Service in fiscal year 1999. This amount is \$20,554,000 above the fiscal year 1998 enacted level. The Committee recommends \$19,552,000 for adjustments for mandatory cost increases. The Committee has provided an additional \$13,000,000 for the fiscal year 1999 protective travel activity and directs the Secret Service to develop a more appropriate method of predicting future needs. The Committee has included language to delay obligation of \$7,860,000 for White House security costs. The Committee notes that the administration's request includes \$3,000,000 for year 2000 conversion costs. The Committee has provided an additional emergency appropriation to address these costs.

The Committee has included funding for counterfeit investigations (\$5,000,000) and the 2000 candidate and nominee protection program (\$7,732,000) under the VCRTF.

##### SECRET SERVICE FUNCTIONS

*Investigations, protection, and uniformed activities.*—The Service must provide for the protection of the President of the United States, members of his immediate family, the President-elect, the Vice President, or other officer next in the order of succession to the Office of the President, and the Vice President-elect, and the members of their immediate families unless the members decline such protection; protection of the person of a visiting head and accompanying spouse of a foreign state or foreign government and, at the direction of the President, other distinguished foreign visitors to the United States and official representatives of the United States performing special missions abroad; the protection of the person of former Presidents, their spouses and minor children unless such protection is declined. The Service is also responsible for the detection and arrest of persons engaged in counterfeiting, forg-



ing, or altering of any of the obligations or other securities of the United States and foreign governments; the investigation of thefts and frauds relating to Treasury electronic fund transfers; fraudulent use of debit and credit cards; fraud and related activity in connection with Government identification documents; computer fraud; food coupon fraud; and the investigation of personnel, tort claims, and other criminal and noncriminal cases.

The Secret Service Uniformed Division protects the Executive Residence and grounds in the District of Columbia; any building in which White House offices are located; the President and members of his immediate family; the official residence and grounds of the Vice President in the District of Columbia; the Vice President and members of his immediate family; foreign diplomatic missions located in the Washington metropolitan area; and the Treasury Building, its annex and grounds, and such other areas as the President may direct on a case-by-case basis.

*Presidential candidate protective activities.*—The Secret Service is authorized to protect major Presidential and Vice Presidential candidates, as determined by the Secretary of the Treasury after consultation with an advisory committee. In addition, the Service is authorized to protect the spouses of major Presidential and Vice Presidential candidates; however, such protection may not commence more than 120 days prior to the general Presidential election.

#### TREASURY COMMUNICATIONS SYSTEM

The Committee notes that the Secret Service is completing its transition to the Treasury communications system, which began in fiscal year 1997. The TCS provides a number of added services over the previous leased communication system including Internet services, telecommuting services, videoconferencing, and electronic commerce transactions. In addition, TCS is more resistant to interruption because of built-in redundancies, or backup systems, as well as being fully encrypted to National Security Agency [NSA] standards. The Committee has provided a total of \$6,500,000 for the final phase of the transition, \$2,800,000 as part of the salaries and expenses base plus \$3,700,000 out of the Treasury forfeiture fund.

#### MISSING AND EXPLOITED CHILDREN

The Committee has included \$2,671,000 in the violent crime reduction trust fund for the Service's operation costs of the exploited child unit, associated with its continued efforts with the National Center for Missing and Exploited Children, including \$671,000 for activities related to investigations of exploited children.

#### ARMORED PRIMARY LIMOUSINES

The Committee understands the need to provide the President of the United States safe and secure ground transportation both locally and around the world. These vehicles, built from the ground up, take about 4 years to complete and due to the weight have only a 10-year life cycle. The Committee is, however, concerned with the Secret Service's projected cost to acquire four primary limousines for this purpose. As a result, the Committee directs the Secret

Service to delay obligation of \$6,000,000 until September 30, 1999, in order to complete a review of the costs associated with this acquisition. The Service shall provide the Committee a report on the major differences between the proposed project and the two armored limousines previously acquired by the Service.

#### ACQUISITION, CONSTRUCTION, IMPROVEMENT AND RELATED EXPENSES

Appropriations, 1998 .....	\$8,799,000
Budget estimate, 1999 .....	6,445,000
Committee recommendation .....	8,068,000

The Committee recommends an appropriation of \$8,068,000 for the "Acquisition, construction, improvement and related expenses" account in fiscal year 1999. The Committee agrees to the administration's request to transfer \$1,300,000 from the "Salaries and expenses" account for training center maintenance. However, the Committee does not recommend the transfer of \$1,623,000 for fixed site security.

### DEPARTMENT OF THE TREASURY

#### GENERAL PROVISIONS

The Committee recommends that certain general provisions be included in the Senate bill. The provisions do the following:

Section 110 continues a provision which pertains to reprogramming instructions for unobligated funds.

Section 111 continues a provision which authorizes certain basic services within the Treasury Department in fiscal year 1999, including purchase of uniforms; maintenance, repairs, and cleaning; purchase of insurance for official motor vehicles operated in foreign countries; and contracts with the Department of State for health and medical services to employees and their dependents serving in foreign countries.

Section 112 continues a provision which requires that funds provided to ATF for fiscal year 1999 will be expended in such a manner so as not to diminish enforcement efforts with respect to section 105 of the Federal Alcohol Administration Act.

Section 113 continues a provision which authorizes transfers, up to 2 percent, between law enforcement appropriations under certain circumstances.

Section 114 continues a provision which authorizes transfers, up to 2 percent, between Departmental Offices, Office of Inspector General, Financial Management Service, and the Bureau of the Public Debt appropriations under certain circumstances.

Section 115 authorizes the Secretary of the Treasury to encourage the use of electronic filing services. The Secretary is further authorized to implement procedures to provide incentives to commercial vendors as long as the services are provided without charge to the taxpayer. The IRS must assure the security of the transmissions and the privacy of taxpayers.

Section 116 is a new provision that allows the Bureau of Engraving and Printing and the Secretary of the Treasury to award a contract to provide for the printing of distinctive currency paper.

Section 117 is a new provision regarding execution of property upon judgments against foreign state violators of international law.

## TITLE II—U.S. POSTAL SERVICE

### PAYMENT TO THE POSTAL SERVICE FUND

Appropriations, 1998 .....	\$86,274,000
Budget estimate, 1999 .....	100,195,000
Committee recommendation .....	71,195,000

The Committee has recommended an appropriation of \$71,195,000 in fiscal year 1999 for payment to the Postal Service fund. This amount is \$29,000,000 less than the President's budget request. The Committee has included language to delay obligation of \$71,195,000 for payment to the Postal Service fund.

Revenue forgone on free and reduced-rate mail enables postage rates to be set at levels below the unsubsidized rates for certain second-class, third-class, and fourth-class mail as authorized by subsections (c) and (d) of section 2401 of title 39, United States Code. Free mail for the blind and overseas voters will continue to be provided at the funding level recommended by the Committee.

The funding provided by the Committee is allocated for free mail for the blind and overseas voters.

The Committee recognizes the congressional obligation to reimburse the Postal Service for past services provided under the revenue forgone program. Unfortunately, budget limitations force the Committee not to fund, at this time, the revenue forgone reimbursement of \$29,000,000 authorized under 39 U.S.C. 2401(d), and requested in the fiscal year 1999 budget. Although the Committee is currently unable to provide any resources for this installment, the Committee continues to recognize the congressional intent to reimburse the Postal Service for these expenses.

The Committee includes provisions in the bill that would assure that mail for overseas voting and mail for the blind shall continue to be free; that 6-day delivery and rural delivery of mail shall continue at the 1983 level; and that none of the funds provided be used to consolidate or close small rural and other small post offices in fiscal year 1999. These are services that must be maintained in fiscal year 1999 and beyond. The Committee believes that, despite the lack of public service appropriations, these critical postal services are the linchpin of services that the public deserves and expects.

### PEST INTRODUCTIONS

The Committee is concerned that recent introductions of plant and animal pests and diseases into Hawaii may have occurred through the U.S. postal system. Such introductions have severe consequences for U.S. agriculture, biodiversity, and public health and safety. The U.S. Postal Service is directed to work with the U.S. Department of Agriculture and the Hawaii Department of Ag-

riculture to devise and implement a program to combat pest introductions.

#### AUTO DAY

The Committee agrees with the recent decision of the Postal Service to discontinue its Auto Day Advertising Mail Program. The Committee urges the Postal Service to not undertake any similar program or market test that promotes, promises, or offers day certain delivery of standard mail without securing approval of the Postal Rate Commission.

#### NONPOSTAL COMMERCIAL ACTIVITIES

The Committee is aware that the Postal Service is initiating a wide range of new commercial activities. These activities include volume retail photocopying, packaging services, bankwire services, and the sale of office supplies or novelty items.

The Committee recognizes the Postal Service's need to generate new sources of revenue to offset its operating costs. However, many of the Postal Service's new commercial activities may result in competition to a number of private sector enterprises, thus raising significant policy issues about the Postal Service's present and future commercial role.

Therefore, the Committee requests the Postal Service to submit to the Senate Appropriations Committee within 6 months of enactment of this act a report on its ongoing and planned commercial services, including the policy justifications, the costs of development and implementation, revenues earned, and revenues lost. The Committee believes these issues deserve consideration by the authorizing committees.

#### NONPROFIT STANDARD MAIL RATES

The Committee is aware that 501(c)(3) entities are entitled to use nonprofit standard mail rates for mailings that are substantially related to the primary purpose of the nonprofit entity. Where the primary purpose behind the production and sale of an item is to further the organization's exempt purpose and is substantially related to that purpose, the Committee believes the Postal Service should view that item as qualifying for the nonprofit standard mail rate even if the item otherwise has a utilitarian function or value.

### TITLE III—EXECUTIVE OFFICE OF THE PRESIDENT AND FUNDS APPROPRIATED TO THE PRESIDENT

#### SUMMARY

The President's fiscal year 1999 budget request for 14 accounts funded under this title totals \$631,251,000. This amount is \$62,326,000 above the total fiscal year 1998 appropriations.

These 14 accounts include: Compensation of the President, Office of Administration, the White House Office, the Executive Residence at the White House, the Official Residence of the Vice President, Special Assistance to the President, the Council of Economic Advisers, the Office of Policy Development, the National Security Council, the Office of Administration, the Office of Management and Budget, the Office of National Drug Control Policy, high-intensity drug trafficking areas, and unanticipated needs.

In addition, \$3,250,000,000 has been included for a new account entitled "Information Technology and Related Expenses."

#### COMPENSATION OF THE PRESIDENT

Appropriations, 1998 .....	\$250,000
Budget estimate, 1999 .....	250,000
Committee recommendation .....	250,000

The fiscal year 1999 budget request for compensation of the President is \$250,000. This amount includes \$200,000 for the direct salary of the President as authorized by 3 U.S.C. 102, and a \$50,000 expense account for official expenses, with any unused portions reverting to the Treasury. This expense account is not considered as taxable to the President.

The Committee recommends the full budget request of \$250,000 for compensation of the President.

#### THE WHITE HOUSE OFFICE

##### SALARIES AND EXPENSES

Appropriations, 1998 .....	\$51,199,000
Budget estimate, 1999 .....	52,344,000
Committee recommendation .....	52,344,000

The Committee recommends an appropriation of \$52,344,000 for the White House Office. The Committee recommendation equals the budget estimate.

These funds provide the President with staff assistance and provide administrative services for the direct support of the President. Public Law 95-570 authorizes appropriations for the White House Office and codifies the activities of the White House Office.

EXECUTIVE RESIDENCE AT THE WHITE HOUSE  
OPERATING EXPENSES

Appropriations, 1998 .....	\$8,045,000
Budget estimate, 1999 .....	8,691,000
Committee recommendation .....	8,691,000

The Committee recommends an appropriation of \$8,691,000 for the Executive Residence at the White House. The Committee recommendation equals the budget estimate.

These funds provide for the care, maintenance, refurnishing, improvement, heating, and lighting, including electrical power and fixtures, of the Executive Residence.

The Executive Residence staff provides for the operation of the Executive Residence. A staff of 36 domestic employees accomplish general housekeeping, prepare and serve meals, greet visitors, and provide services as required in support of official and ceremonial functions. A staff of 35 tradespersons, including plumbers, carpenters, painters, on a single shift; electricians on a double shift; and operating engineers on a 24-hour basis, maintains and makes repairs, minor modifications, and improvements to the 132 rooms and the mechanical systems, and provides support for official and ceremonial functions.

A staff of 12 specialized employees provide services necessary to the operation of the White House and official and ceremonial functions. This staff includes four florists, four curators, and four calligraphers.

An administrative staff consists of the chief usher, four assistant ushers, one executive grounds superintendent, one operating accountant, and one administrative officer. This staff is charged with management and administrative functions of the Executive Residence. This requires coordination with the Executive Office of the President, the National Park Service, the military, the U.S. Secret Service, the General Services Administration, and other agencies.

During larger events, the Executive Residence staff is assisted by contract personnel under personal services contract agreements (service by agreement) to provide additional help as required for official and ceremonial functions.

SPECIAL ASSISTANCE TO THE PRESIDENT  
SALARIES AND EXPENSES

Appropriations, 1998 .....	\$3,378,000
Budget estimate, 1999 .....	3,512,000
Committee recommendation .....	3,512,000

The Committee recommends an appropriation of \$3,512,000 for special assistance to the President. The Committee recommendation equals the budget estimate.

The "Special assistance to the President" account was established on September 26, 1970, to enable the Vice President to provide assistance to the President. This assistance takes the form of directed and special Presidentially assigned functions.

The objective of the Office of the Vice President is to efficiently and effectively advise, assist, and support the President in the areas of domestic policy, national security affairs, counsel, adminis-

tration, press, scheduling, advance, special projects, and assignments. Assistance is also provided for the wife of the Vice President.

The Vice President also has a staff funded by the Senate to assist him in the performance of his duties in the legislative branch.

The level of funding recommended by the Committee will allow for 22 full-time permanent positions in fiscal year 1999.

#### OFFICIAL RESIDENCE OF THE VICE PRESIDENT

##### OPERATING EXPENSES

Appropriations, 1998 .....	\$334,000
Budget estimate, 1999 .....	334,000
Committee recommendation .....	334,000

The Committee recommends an appropriation of \$334,000 for the official residence of the Vice President. This amount equals the budget estimate.

The "Official Residence of the Vice President (residence)" account was established by Public Law 93-346 on July 12, 1974. The residence is located on the grounds of the Naval Observatory in the District of Columbia and serves as a facility for official and ceremonial functions and as a home for the Vice President and his family.

The objective of the "Residence" account is to provide for the care of, operation, maintenance, refurnishing, improvement, and heating and lighting of the residence and to provide such appropriate equipment, furnishings, dining facilities, services, and provisions as may be required to enable the Vice President to perform and discharge the duties, functions, and obligations associated with his high office.

Funds to renovate the residence are provided to the residence through the Department of the Navy budget. The Committee has had a longstanding interest in the condition of the residence and expects to be kept fully apprised by the Vice President's office of any and all renovations and alterations made to the residence by the Navy.

The funding level provided by the Committee will support one full-time equivalent position or the same level as funded since fiscal year 1996.

#### COUNCIL OF ECONOMIC ADVISERS

##### SALARIES AND EXPENSES

Appropriations, 1998 .....	\$3,542,000
Budget estimate, 1999 .....	3,666,000
Committee recommendation .....	3,666,000

The Committee recommends an appropriation of \$3,666,000 for salaries and expenses of the Council of Economic Advisers. The Committee recommendation equals the budget estimate.

The activities of the Council are set forth in the Employment Act of 1946. They include the following: To assist and advise the President in the preparation of the "Economic Report"; to gather and analyze timely information concerning current and prospective economic developments and report regularly to the President on the relationship of these developments to the achievement of maximum

employment, production, and purchasing power as prescribed in the act; to appraise and report to the President on the extent to which the various programs and activities of the Federal Government contribute to the carrying out of the purposes of the act; to develop and recommend to the President national economic policies to foster and promote competitive enterprise, to avoid economic fluctuations, and to maintain maximum employment, production, and purchasing power; and to make such studies, reports, and recommendations on Federal economic policy and legislation as the President may request.

In carrying out these duties, the Council consults regularly with other Government agencies and departments, as well as the Congress, and representatives of business, labor, consumers, agriculture, State, and local governments, and the economics profession. In addition, the members and staff of the Council are frequently called upon to serve on Cabinet Council working groups in a wide variety of fields.

Included in the Council's staff is a statistical unit which is responsible for the monthly publication "Economic Indicators" and the preparation of the statistical material in the annual "Economic Report of the President," as well as for providing continuous assistance to the Council and professional staff.

#### OFFICE OF POLICY DEVELOPMENT

##### SALARIES AND EXPENSES

Appropriations, 1998 .....	\$3,983,000
Budget estimate, 1999 .....	4,032,000
Committee recommendation .....	4,032,000

The Committee recommends \$4,032,000 for the Office of Policy Development. The Committee recommendation equals the budget estimate.

The Office of Policy Development supports the National Economic Council and the Domestic Policy Council, in carrying out their responsibilities to advise and assist the President in the formulation, coordination, and implementation of economic and domestic policy. The Office of Policy Development also provides support for other domestic policy development and implementation activities as directed by the President.

#### NATIONAL SECURITY COUNCIL

##### SALARIES AND EXPENSES

Appropriations, 1998 .....	\$6,648,000
Budget estimate, 1999 .....	6,806,000
Committee recommendation .....	6,806,000

The Committee recommends an appropriation of \$6,806,000 for the salaries and expenses of the National Security Council [NSC]. The Committee recommendation equals the budget estimate.

The primary purpose of the Council is to advise the President with respect to the integration of domestic, foreign, and military policies relating to the national security. Subject to direction by the President, it is the responsibility of the Council to assess and appraise the objectives, commitments, and risks of the United States



in relation to actual and potential military power, to consider policies on matters of common interest to the departments and agencies of the Government, and to make recommendations and other reports to the President.

The funding level provided by the Committee will support 60 full-time equivalent positions, or the same since the fiscal year 1996 level for the normal activities of the NSC.

#### OFFICE OF ADMINISTRATION

##### SALARIES AND EXPENSES

Appropriations, 1998 .....	\$28,883,000
Budget estimate, 1999 .....	40,550,000
Committee recommendation .....	29,140,000

The Committee has provided \$29,140,000 to the Office of Administration for fiscal year 1999 which includes adjustments for mandatory cost increases, as well as maintaining the current level of funding. The Committee has chosen to fund \$11,410,000 for computer costs associated with the year 2000 in a separate account providing an additional emergency appropriation to address these costs. The Committee has provided the full funding level requested by the administration.

The Office of Administration [OA] was created by Reorganization Plan No. 1 of 1977 and formally established by Executive Order 12028. The purpose of the Office of Administration provides financial and personnel management services, information management, library and records management services, and general services support to all agencies within the Executive Office of the President [EOP] and upon request, services in direct support of the President.

The Office of Administration is composed of six functional divisions which are: Personnel Management Division, Financial Management Division, Administrative Operations Division, Library and Research Services Division, the Information Services and Technology Division, and Facilities Management Division.

##### OFFICIAL DUTIES ON GOVERNMENT TIME

Recently the Committee received verbal inquiries about whether White House attorneys, whose salaries are paid out of appropriated funds, provide legal assistance to the President on issues involving personal matters. The Committee received testimony from the Office of Administration on this issue which included assurances that appropriated funds are not being used for this or any other nonofficial purpose.

The Office of Government Ethics [OGE] has issued a general ethical standard, contained in 5 CFR 2635.705, which provides that an employee of the Federal Government shall use official time to perform official duties. In an effort to attempt to draw a line between official and personal issues, the Committee has included a new general provision, section 638, which codifies that OGE regulation.

##### FRANCE 98 WORLD CUP DELEGATION

The Committee is extremely concerned about recent reports of political donors joining the EPA Administrator in an official delegation to the France 98 World Cup soccer tournament. Of particular

concern is the refusal of the administration to provide an accounting of the costs associated with the trip. The Committee directs the Executive Office of the President to provide a full and complete accounting of all costs associated with the delegation to the World Cup, including transportation, lodging, meals, tickets to the soccer match, security and all other expenses, within 60 days of enactment of this legislation. The accounting should also include a detailed description of the attendees, including whose expenses were paid with public funds and whose expenses were paid with private funds.

## OFFICE OF MANAGEMENT AND BUDGET

### SALARIES AND EXPENSES

Appropriations, 1998 .....	\$57,440,000
Budget estimate, 1999 .....	60,617,000
Committee recommendation .....	60,617,000

The Committee recommends an appropriation of \$60,617,000. The Committee recommendation equals the budget estimate.

The Office of Management and Budget [OMB] assists the President in the discharge of his budgetary, management, and other executive responsibilities.

*National security and international affairs; general Government; natural resources, energy, and science; human resources; and health and personnel.*—Agency programs, budget requests, and management activities are examined, appropriations are apportioned, proposed changes in agency functions are studied, and special analyses aimed at establishing goals and objectives that would result in long- and short-range improvements in the agencies' financial, administrative, and operational management are conducted. Implementation of Governmentwide policies as developed by the statutory management offices is carried out. Governmentwide supply and facility acquisition, credit and cash management, and personnel management policies are evaluated. Also, leadership and support is provided for program evaluation and Federal-State-local relations.

*Director's office/OMB-wide offices.*—Executive direction and coordination for all Office of Management and Budget activities is provided. This includes the Director's immediate office as well as staff support in the areas of administration, public affairs, legislative reference, legislative affairs, economic policy, budget review, and general counsel. Budget instructions and procedures are developed, review of agency estimates is coordinated, budget data systems are maintained, agency financial management plans are reviewed, the budget document is prepared, and scorekeeping is accomplished.

*Financial management.*—Governmentwide policy guidance for financial statements, financial systems, and internal controls is provided to agencies; evaluation of agency performance and progress is carried out; and a Governmentwide financial management plan is prepared.

*Information and regulatory affairs.*—Agency proposals to implement or revise Federal regulations and information collection requirements are reviewed and coordinated. Information resource

management and statistical policies and practices are analyzed and developed.

*Procurement policy.*—The Office of Federal Procurement Policy is responsible for promoting economy, efficiency, and effectiveness in the procurement of property and services by and for the executive branch.

#### TRANSCRIPT REVIEW

The Committee has continued language in the bill that would prohibit OMB from altering certain transcripts. The Committee is very concerned about the timeliness of administration responses to questions the Committee asks for the record during the hearing cycle. When agencies are queried, the most often cited reason is that the answers have not yet cleared OMB. The Committee is not naive enough to believe that OMB is solely to blame for these delays. However, because of OMB's position, it is important that these questions are responded to in a timely manner. The Committee directs OMB to work with all departments and agencies to ensure the Committee is given the courtesy of timely responses.

#### VIOLENT CRIME REDUCTION PROGRAM

The Committee expects the President's budget submissions for the Department of the Treasury's bureaus funding from the violent crimes reduction trust fund be reflected for the Department as a whole and not separately within each bureau's request.

#### TECHNOLOGY INVESTMENT INITIATIVES

The Committee strongly supports OMB Directive M-97-02, dated October 25, 1996, regarding Governmentwide technology investment initiatives. The Committee urges OMB to continue aggressive oversight of agency technology needs and to submit only those requests which meet the criteria set forth in the directive in the President's fiscal year 2000 budget request.

#### DATA ACCESS

An issue of growing concern to the Committee is the public's lack of access to Government funded research data despite existing statutory and administration guidelines mandating increased access. The Paperwork Reduction Act of 1995 requests the Director of OMB to "foster greater sharing, dissemination, and access to public information." OMB Circular 110, subpart C, is even more specific, stating that unless specifically waived, Federal agencies "have the right \* \* \* to obtain, reproduce, publish or otherwise use the data first produced under an award". Unfortunately, these policies directives are not being implemented on a systematic basis. Although the National Aeronautics and Space Administration, the Public Health Service, and the National Science Foundation currently implement data sharing policies in order to permit wider assessment of the validity of the research results and to facilitate broader public understanding, other Federal agencies do not. Given the prevalent use of Government funded research data in developing regulations and Federal policy, it is important that such data be made available to other interested Federal agencies and to the public on

a routine basis for independent scientific evaluation and confirmation.

#### PAPERWORK REDUCTION AND THE CONGRESSIONAL REVIEW ACT

Because the Office of Information and Regulatory Affairs [OIRA] is responsible for implementing the Congressional Review Act and paperwork reduction requirements, the Committee has included language directing the OMB to submit a report that (1) identifies specific paperwork requirements for modification or elimination; and (2) issues guidance and a standard format for the use of agencies in complying with the rule reporting and major rule delay requirements of the Congressional Review Act. The Committee directs the report be provided by March 30, 1999, and directs OMB to consult with the Senate Committee on Appropriations and the Senate Committee on Governmental Affairs' Subcommittee on Oversight of Government Management, Restructuring and the District of Columbia in the preparation of this report and the specific matters to be included therein.

#### OFFICE OF NATIONAL DRUG CONTROL POLICY

##### SALARIES AND EXPENSES

Appropriations, 1998 .....	\$35,016,000
Budget estimate, 1999 .....	36,442,000
Committee recommendation .....	48,042,000

The Committee recommends an appropriation of \$48,042,000. This recommendation is \$11,600,000 above the budget estimate. The Committee has reduced the ONDCP personnel funding level to reflect the difficulties ONDCP continues to experience in hiring and retaining staff. Should ONDCP staffing levels meet the FTE ceiling the Committee will favorably consider reprogramming funds from other services to meet the compensation and benefit requirements.

The Office of National Drug Control Policy [ONDCP] was established pursuant to section 1002 of the Anti-Drug Abuse Act of 1988, Public Law 100-690. The ONDCP is the President's primary executive branch agency for drug policy and program oversight. The Director is charged by law with the formulation, evaluation, coordination, and oversight of both international and domestic anti-drug abuse functions of all executive branch agencies, and to ensure that such functions sustain and complement State and local antidrug abuse efforts.

##### STAFFING LEVELS AT ONDCP

The Committee is concerned about requests by ONDCP to reprogram moneys from the "Salaries and expenses" account to fund other initiatives. The Committee supports and fully funds the full-time equivalent staffing levels requested by ONDCP and is concerned that ONDCP is not filling those vacancies but is instead requesting to use those funds for other purposes. The Committee believes that ONDCP needs to maintain its staffing at the authorized level in order to maximize the agency's effectiveness.

## RURAL DRUG CRIME CONFERENCES

The Committee is concerned about the spread of drugs and drug-related crimes to rural areas and whether or not rural law enforcement can sufficiently address these new trends. Therefore, the Committee encourages the Director of the Office of National Drug Control Policy to consider convening a national conference on rural drug crime, to include regional conferences in rural areas, such as Luna County, NM, and similar counties in Colorado, in order to assess the needs of rural law enforcement and the impact drug-related crimes have on rural communities as they cope with these issues.

The Committee believes that ONDCP can combine its knowledge and experience working with larger communities in this area and translate effective drug fighting practices to rural law enforcement, while taking into consideration their unique needs. Should ONDCP convene this event, the conference is requested to report to the Committee on Appropriations and the Director of ONDCP on their findings.

## SECURITY ASSESSMENT BY U.S. MARSHALS

The Committee has included a new general provision, section 634, which directs the U.S. Marshals Service to conduct a threat assessment on the Director of the Office of National Drug Control Policy on a quarterly basis. The level of security is to be provided to ONDCP on a reimbursable basis by the U.S. Marshals Service and will be based on this quarterly threat assessment.

## COUNTERDRUG TECHNOLOGY ASSESSMENT CENTER

The Anti-Drug Abuse Act of 1988, Public Law 100-690, was amended during 1990 to provide for the establishment of a Counterdrug Technology Assessment Center within the Office of National Drug Control Policy. This Office is authorized to serve as the central counternarcotics enforcement research and development organization of the U.S. Government. The law provides for the appointment of a chief scientist to head up this program to make a priority ranking of scientific needs according to fiscal and technological feasibility as part of the national counterdrug enforcement research and development strategy.

The Committee expects multiagency research and development programs to be coordinated by the Counterdrug Technology Assessment Center in order to prevent duplication of effort and to assure that whenever possible, those efforts provide capabilities that transcend the need of any single Federal agency. Prior to the obligation of these funds, the Committee expects to be notified by the chief scientist on how these funds will be spent; it also expects to receive periodic reports from the chief scientist on the priority counterdrug enforcement research and development requirements identified by the Center and on the status of projects funded by CTAC.

The Committee continues to believe CTAC should work closely and cooperatively with the individual law enforcement agencies in the definition of a national research and development program which addresses agency requirements with respect to timeliness, operational utility, and consistency with agency budget plans.

## COUNTERDRUG TECHNOLOGY TRANSFER PROGRAM

The Committee fully supports the continuation of this program and, therefore, has provided \$13,000,000 for its operation in fiscal year 1999. The Committee believes that this program demonstrates the best that the Federal Government has to offer to State and local law enforcement in their efforts to combat drug related crimes. The Committee is encouraged by the positive reception this program has received by State and local law enforcement agencies and expects that CTAC will continue to conduct outreach to State and local agencies to further educate them about the program. Finally, the Committee would encourage CTAC to work with private industry to make their developed technology available to State and local law enforcement through this program. The Committee requests that ONDCP report within 60 days after the date of enactment of the fiscal year 1999 appropriations bill on the number of requests received, promotion efforts to State and local law enforcement, and the effectiveness and interest in this program by these law enforcement communities.

## CTAC AND FEBRUARY GAO REPORT

The Committee finds that the operations of the Counterdrug Technology Assessment Center [CTAC] at ONDCP has not met the expectations for which it was created. Based on the February 1998 GAO study of CTAC, a number of administrative and management shortcomings are apparent in the operations of CTAC. The Committee requests that the Director of ONDCP provide the Committee, no later than 6 months after the enactment of this bill, with a detailed report on how he plans to address the shortcomings and ensure that the purposes for which CTAC was created are being met.

## UNANTICIPATED NEEDS

Appropriations, 1998 .....	
Budget estimate, 1999 .....	\$1,000,000
Committee recommendation .....	

The Committee recommendation is \$1,000,000 less than the budget request.

## FUNDS APPROPRIATED TO THE PRESIDENT

## FEDERAL DRUG CONTROL PROGRAMS

## HIGH-INTENSITY DRUG TRAFFICKING AREAS

## (INCLUDING TRANSFER OF FUNDS)

Appropriations, 1998 .....	\$159,007,000
Budget estimate, 1999 .....	162,007,000
Committee recommendation .....	171,007,000

The Committee recommends an appropriation of \$171,007,000. This amount is \$12,000,000 above the fiscal year 1998 level.

Section 1005 of the Anti-Drug Abuse Act of 1988 authorized the Director of ONDCP to designate certain areas in the United States, as high-intensity drug trafficking areas [HIDTA's] for the purpose of providing increased Federal assistance to alleviate drug-related

problems. The most critical drug trafficking areas of the country are designated as HIDTA's.

There are currently 20 HIDTA's: New York, Miami, Houston, Los Angeles, Baltimore-Washington metropolitan area, Puerto Rico-Virgin Islands, the Southwest border, Chicago, Atlanta, Philadelphia-Camden, the gulf coast, Lake County, IN, the Midwest (Iowa, Kansas, Missouri, Nebraska, South Dakota), the Pacific Northwest (Washington Cascades), the Rocky Mountain (Colorado, Utah, Wyoming), central Florida, Kentucky/Tennessee/West Virginia, Milwaukee, San Francisco Bay area, and southeastern Michigan. The Committee directs that funding shall be provided for the existing HIDTA's at no less than the fiscal year 1998 level. The Committee provides \$5,000,000 for the new HIDTA's in Dallas/Fort Worth and east Texas, and \$1,000,000 for the New England HIDTA, should the Director of ONDCP determine these locations meet the designated criteria. In addition, funding is included to expand the Milwaukee HIDTA by \$1,500,000 and continue the Rocky Mountain methamphetamine program at \$1,500,000.

A total of not less than \$90,630,000 is provided in this account specifically for assistance to State and local drug control agencies in the 20 HIDTA's. In allocating these funds, the Committee expects the Director of the Office of National Drug Control Policy to ensure that the activities receiving these limited additional resources are used strictly for implementing the strategy for each HIDTA, taking into consideration local conditions and resource requirements. These funds should not be used to supplant existing support for ongoing Federal, State, or local drug control operations normally funded out of the operating budgets of each agency. The remaining funds may be transferred to Federal agencies and departments to support Federal antidrug activities.

The Committee believes that the Director should take steps to ensure that the HIDTA funds are transferred to the appropriate drug control agencies expeditiously. To ensure that the funding allocations meet the priorities outlined in the strategies, the Committee instructs the Director to submit the strategies, along with the identification of how the funds will be spent, to the Committee for review prior to the obligation of the funds. The Committee also expects to be notified if any changes are made in the spending plans presented to it during the course of the fiscal year. The Committee further instructs the Director to submit the updated 1999 strategies for each of the HIDTA's to the Committee for review and to obligate the HIDTA funds within 120 days of enactment of this act. This provision may be waived if a request is made to the Committee and has been approved in advance according to the normal reprogramming procedures. The Committee expects the Director to take actions necessary to ensure that all HIDTA funds are being used to support only those activities which are directly linked to the individual HIDTA strategies recommended by the HIDTA coordinators and which support the goals and objectives outlined in each of these strategies.

The Committee is concerned that Hawaii has the dubious distinction of having a predominance of crystal methamphetamine or ice as its primary drug threat for the past decade. This is a relatively new threat for many other States. Hawaii's fight against this drug

has been challenged by direct passenger and parcel flights to its neighbor island airports in Maui, Kona, Hilo, and Kauai. The Committee is aware that Hawaii's Federal, State, and county law enforcement officials are preparing an application for designation as a HIDTA, and urges ONDCP to carefully consider Hawaii's serious needs and fight to safeguard its ports of entry from illicit drugs.

#### INTEGRATION OF LAW ENFORCEMENT ACTIVITIES

The Committee is aware of innovative applications of technology by various high intensity drug trafficking area [HIDTA] programs to increase the effectiveness of integrating information obtained from various law enforcement activities. In particular, the Committee is aware of the activities of the University of Maryland's Baltimore/Washington HIDTA program with respect to its use of integrating software in its investigations as an object oriented case tool allowing various data bases to be integrated. The Committee applauds this innovative approach to crime fighting.

#### SPECIAL FORFEITURE FUND

Appropriations, 1998 .....	\$211,000,000
Budget estimate, 1999 .....	251,000,000
Committee recommendation .....	200,000,000

The Committee recommends an appropriation of \$200,000,000.

The special forfeiture fund was established by the Anti-Drug Abuse Act of 1988, as amended, to be administered by the Director of the Office of National Drug Control Policy. While the fund was originally authorized to receive deposits from the Department of Justice assets forfeiture fund and the Treasury forfeiture fund, its current source of funding is "General fund" appropriations.

#### HARDCORE DRUG USERS STUDY

The budget estimate includes a request of \$10,000,000 to expand a preliminary user study conducted in Cook County, IL. The Cook County study developed a methodology for estimating the number of hardcore drug users in the United States. Accurately identifying this population is important since they consume a massive amount of the drugs available in the United States, create a large proportion of the demand for illegal drug markets, and are responsible for a great deal of criminal activity. The accurate identification of this population will provide communities a base for estimating the type and number of drug treatment and prevention programs required.

The Committee congratulates ONDCP on conducting this study and continues to support this effort. Due to competing demands the Committee provides only \$5,000,000 to expand the study to regional areas. The Committee encourages ONDCP to work with the Department of Health and Human Services to identify additional funding sources. The Committee also encourages ONDCP to develop additional projects utilizing the data collected in the Cook County study that will result in reducing the population of hardcore drug users.



## DRUG FREE PRISON DEMONSTRATION PROJECT

The Committee provided \$6,000,000 for the Office of National Drug Control Policy in fiscal year 1998 to establish a drug-free prison demonstration program. The demonstration project will address the huge increases in America's prison population due to crimes related to drug and alcohol abuse. To reduce drug-related crimes in the future, the project will also address the gap which exists between available substance abuse treatment and the need for such treatment. ONDCP through a memorandum of understanding with the Bureau of Prisons and the National Institute of Corrections is developing a demonstration project which is applying drug interdiction strategies to reduce the presence of illicit drugs in prisons and is sponsoring residential and nonresidential drug abuse treatment services for inmates. The project is also offering transitional services for inmates released to the community. The Committee directs ONDCP to provide annual reports to the Senate Committee on Appropriations on the progress, impact, and accomplishments of the drug-free prison demonstration project, an accounting of funding for prevention and treatment projects, and individual program evaluations. Prior to termination of the demonstration project, ONDCP will also provide the Committees a final report providing program results and recommendations.

## NATIONAL MEDIA CAMPAIGN

In fiscal year 1998 ONDCP proposed a 5-year media campaign at a total cost to the Federal Government of \$875,000,000. The Committee provided \$195,000,000 in fiscal year 1998 and provides \$175,000,000 in fiscal year 1999.

Over the past year, the Committee has spent a substantial amount of time monitoring and examining the media campaign and its evolution. As a result, the Committee requires ONDCP to comply with the following: (1) ONDCP will require a pro-bono match commitment upfront as part of its media buy from each and every buyer of ad time and space, (2) ONDCP will dedicate 10 percent of the total amount appropriated specifically for the media campaign for the development, in consultation with community groups and experts, and distribution of grassroots materials aimed at children to be distributed to communities and schools to support the national media campaign, (3) ONDCP, or any agent acting on its behalf, is prohibited from obligating any funds for the creative development of advertisements, (4) ONDCP will secure 80 percent of corporate sponsorship and will report quarterly on its efforts to meet this goal, (5) ONDCP, or any agent acting on its behalf, is prohibited from paying for the development of new advertisements related to the media campaign, but these ads must be provided on a pro-bono basis, and (6) ONDCP is mandated to use appropriated funds solely to fund the antidrug media campaign to include only the purchase of media time and space, talent reuse payments, out-of-pocket advertising production costs, and the negotiated fee for the contract buying agency.

In addition, ONDCP is to report to the Committee on Appropriations by January 15, 1999 on the effectiveness of the national media campaign. ONDCP is also to report to the Committee on Ap-

appropriations within 6 months of enactment of this bill on State and local prevention and treatment facilities infrastructure and their capacity to handle the increased demands of communities as a result of the national media campaign. ONDCP is to continue to report on the effectiveness and implementation status of the guidelines set out in the fiscal year 1998 appropriations bill.

Finally, none of the funds provided for the national media campaign for fiscal year 1999 may be obligated until ONDCP has submitted for written approval by the Committees on Appropriations the evaluation and the results of phase I and phase II of the campaign.

The Committee believes this national media campaign, if properly executed, has the potential to produce concrete results. The Committee will closely track this national campaign and its contribution to achieving a drug-free America, and directs ONDCP to submit quarterly reports on the obligation of funds as well as the specific parameters of the pilot campaign. The Committee anticipates that future funding will be based upon results.

#### MEDIA CAMPAIGN FINANCIAL MANAGEMENT AND GAO REVIEW

The Committee provides \$175,000,000 for fiscal year 1999 for the national media campaign. During fiscal year 1998, ONDCP was required, by statute, to submit quarterly reports to the Committee on the obligation of funds relating to the media campaign. The Committee reminded ONDCP of this statutory requirement in December, with the first release of funds, and again in March 1998 during the fiscal year 1999 budget hearing. As a result of ONDCP's failure to respond to this request for information, the Committee now requires not only quarterly reports, but also monthly itemized reporting of all expenditures and obligations related to the media campaign.

As a result of growing concern relating to the disclosure of funding obligations related to the campaign, the Committee directs the General Accounting Office to conduct a financial audit and review of the financial transactions relating to the media campaign. The Committee requests that the scope of the review include how moneys have been obligated and the effectiveness of the campaign and report to the Senate Committee on Appropriations. As part of the review, GAO shall determine the definition, acquisition, and utilization of matching contributions sought by ONDCP relating to the media campaign.

Finally, Public Law 105-61 required the Director of ONDCP to submit a campaign strategy that included (1) guidelines by which he would ensure and certify that campaign funds would be used to supplement and not supplant current antidrug, community-based coalitions as well as current pro-bono public service time being donated by national and local broadcasters; (2) guidelines to ensure that none of the campaign funds would be used for partisan political purposes, and that no media campaigns to be funded pursuant to this campaign shall feature any elected officials, persons seeking office, Cabinet-level officials, or other Federal officials employed pursuant to Schedule C of title V, without prior approval from Congress; (3) a detailed implementation plan for securing private sector contributions; (4) a plan detailing the qualifications needed to

receive funding for or otherwise be provided broadcast media time; and (5) a system to measure the outcomes of the campaign. The Committee is concerned that this effort has not been receiving a suitable level of oversight. Therefore, the Committee is requesting the General Accounting Office to assess the guidelines and other controls developed and implemented by ONDCP to ensure compliance with the conditions in the act, and, to the extent possible, implementation of ONDCP' system to measure the outcomes of the campaign.

#### PHASE I PILOT RESULTS

The Committee is concerned that given the timing of the national media campaign, it does not have the full opportunity to review and assess the success of the pilot phase of the national media campaign prior to making decisions on the fiscal year 1999 budget of the campaign. Therefore, the Committee has included a statutory provision which prohibits ONDCP from obligating or releasing any fiscal year 1999 media campaign funds until the General Accounting Office reviews phase I, the 12 city test pilot, and reports their findings to Congress. This review is to examine the development of the test market plan for phase I, determine the viability of extrapolating phase I to the national level, and determine the success of phase I in the 12 city pilot.

#### CORPORATE SPONSORSHIP OF THE MEDIA CAMPAIGN

The Committee has included statutory language requiring ONDCP to secure private sector and corporate contributions for the media campaign as a result of its concern that this is a greatly untapped resource and important nexus for the success of the campaign. Specifically, the Committee is concerned that ONDCP is not capitalizing on an area that is highly influential to the target audience of the campaign: America's youth. Therefore, the Committee requests that ONDCP report within 3 months after enactment of the fiscal year 1999 appropriations bill on the status of the initiation of this very critical component of the media campaign.

#### DRUG-FREE COMMUNITIES ACT OF 1997

The accelerating rate of drug use by young Americans is a major concern that must be addressed. The Committee, therefore, provides \$20,000,000 to support the initiation of matching grants to drugfree communities, as authorized in the Drug-Free Communities Act of 1997. These funds will be used to support the establishment of local counterdrug efforts that are characterized by strong conditions for local initiatives, support, and accountability. In addition, the requirement for participating communities to match funding will help ensure the degree of commitment necessary to succeed.

#### METHAMPHETAMINES AND STATE AND LOCAL LAW ENFORCEMENT

The Committee directs the Office of National Drug Control Policy to work with State and local law enforcement to battle methamphetamine trafficking and the cleanup of meth laboratories. Methamphetamines are a dangerous drug that, when manufac-

tured, leaves toxic cleanup sites too few communities can adequately address. As a result of ONDCP's national methamphetamine efforts funded by Congress in fiscal year 1998, the Committee encourages ONDCP to translate its expertise in educating the public, combating the spread of methamphetamines, and cleaning up meth labs to State and local law enforcement including Missouri, Washington, Iowa, and New Mexico.

#### METHAMPHETAMINE CONFERENCES

In May 1997, the National Methamphetamine Drug Conference was held in Omaha, NE. Methamphetamine, the crack of the 1990's, knows no geographical, ethnic, gender, or socioeconomic boundaries. The Committee would like ONDCP to consider Omaha as a site for future conferences relating to methamphetamine.

#### METHAMPHETAMINE LABORATORY CLEANUP

The Committee directs the ONDCP to coordinate efforts with the Environmental Protection Agency to conduct assessments of a sampling of seized clandestine methamphetamine producing laboratories and evaluate cleanup requirements necessary to ensure that such sites are safe for future human occupation. Findings and recommendations shall be reported to the Senate Committee on Appropriations, the Director of the Drug Enforcement Agency, and the Director of ONDCP.

#### INFORMATION TECHNOLOGY SYSTEMS AND RELATED EXPENSES

##### YEAR 2000 CONVERSION

The Committee continues to be concerned about the progress of many of the agencies under the jurisdiction of this bill in fixing the year 2000 conversion problem. This absolutely must be a top priority for the Federal Government. The Office of Management and Budget reports that some agencies have shown signs of progress but they, too, are concerned.

For example, the Financial Management Service, which is responsible for Government payments, collections, debt management, and accounting information, has not yet fully assessed year 2000 conversion needs for their Government online accounting link system [GOALS]. The Office of Personnel Management does not meet Governmentwide goals. The Federal Elections Commission is behind schedule. The National Archives and Records Administration has only begun their contingency planning.

The Committee believes that OMB should continue to play a vital role in pushing agencies to accelerate their efforts to deal with this emergency situation, including control of the purse-strings for year 2000 conversion funding. The Committee expects all agencies within the jurisdiction of this bill to identify all systems in need of conversion and to work with OMB for the release of emergency funding to address their needs.

The Committee has provided \$3,250,000,000 to be used exclusively for the direct costs of addressing the year 2000 problem. These funds are available to cover the costs of agency year 2000 efforts for all types of information technology, including computer software and hardware, telecommunications systems and their

components, and other systems and components (such as building security systems and medical devices) that contain or depend on electronic devices (such as embedded microchips). While the funds are available to address both mission-critical and nonmission-critical systems, it is the Committee's sense that, given the shortness of time remaining, agencies must prioritize their efforts to assure that the most critical systems are addressed satisfactorily.

The funds are available to cover the costs of identifying necessary changes, evaluating the cost effectiveness of making those changes (fix or scrap decisions), making changes, testing systems, and preparing and exercising contingency plans to assure continuity of operations and recovery of components, systems, and the business processes and missions that depend on them. The funds may also be used to cover the costs of upgrades or replacements to systems or components, where those upgrades or replacements are necessitated by the year 2000 problem and would not otherwise occur as part of the normal system life cycle. The funds may be expended directly for Federal personnel salaries and expenses, and through contracts, grants, or other instruments, consistent with applicable law.

## TITLE IV—INDEPENDENT AGENCIES

### COMMITTEE FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

#### SALARIES AND EXPENSES

Appropriations, 1998 .....	\$1,940,000
Budget estimate, 1999 .....	2,464,000
Committee recommendation .....	2,464,000

The Committee recommends \$2,464,000 for the Committee for Purchase From People Who Are Blind or Severely Disabled [CPPBSD]. The Committee recommendation equals the budget estimate.

The CPPBSD was established by the Javits-Wagner-O'Day Act of 1971. The CPPBSD's primary objective is to increase the employment opportunities for the blind and other severely handicapped and, whenever possible, to prepare them to engage in normal competitive employment. The CPPBSD determines which commodities and services are suitable for Government procurement from qualified, nonprofit agencies serving the blind and other severely handicapped; publishes a procurement list of such commodities and services; determines the fair market price for commodities and services on the procurement list; and makes rules and regulations necessary to carry out the purposes of the act.

The CPPBSD staff supervises the selection and assignment of new commodities and services, assists in establishing prices, reviews and adjusts these prices, verifies the qualifications of workshops, and monitors their performance.

The Committee recognizes the importance of the Javits-Wagner-O'Day [JWOD] Act in providing much needed employment opportunities to blind and other severely handicapped Americans, while at the same time providing quality goods and services to the Federal Government at fair market prices.

In this regard, the Committee intends that CPPBSD, in its monitoring of the designated central nonprofit agencies, assure that all funds acquired by each such agency from nonprofit agencies for the blind and other severely handicapped in conjunction with the Javits-Wagner-O'Day Program be used solely for activities that are consistent with the goal of the program, which is to generate employment and training opportunities for persons who are blind or have other severe disabilities.

The Congress further recognizes that research, promotional, and advocacy efforts aimed at strengthening and expanding the program are both a statutory and necessary function in order for the Committee for Purchase From People Who Are Blind or Severely Disabled to fulfill its obligations under the JWOD Act. The Congress supports efforts by the CPPBSD to initiate such research and advocacy activities.

FEDERAL ELECTION COMMISSION  
SALARIES AND EXPENSES

Appropriations, 1998 .....	\$31,650,000
Budget estimate, 1999 .....	36,504,000
Committee recommendation .....	33,700,000

The Committee recommends an appropriation of \$33,700,000 for the Federal Election Commission [FEC]. The Committee recommendation is \$2,050,000 above the fiscal year 1998 level. The Committee notes that the administration's request includes \$400,000 for year 2000 conversion costs. It is expected that the FEC will receive that funding through a separate account established solely for that purpose.

The Federal Election Commission is charged with implementing and enforcing the Federal Election Campaign Act [FECA] as amended. This includes: promoting public disclosure of campaign finance activity; providing information to the public, press, and campaign officials on the FECA and campaign finance; obtaining voluntary compliance with the disclosure and limitation provisions of the FECA; and enforcing that disclosure and compliance through audits, investigations, and/or litigation. The Commission is also charged with implementing the Presidential campaign funding programs for both primary and general election campaigns of qualified Presidential candidates. This includes certification, audit, and enforcement of the provisions of the Federal funding legislation concerning the use of Federal funds.

FEDERAL LABOR RELATIONS AUTHORITY  
SALARIES AND EXPENSES

Appropriations, 1998 .....	\$22,039,000
Budget estimate, 1999 .....	22,586,000
Committee recommendation .....	22,586,000

The Committee recommends an appropriation of \$22,586,000 for the Federal Labor Relations Authority [FLRA]. This amount is equal to the budget request.

The FLRA was established to administer title VII of the Civil Service Reform Act of 1978 and to serve as a neutral third party in the resolution of labor-management disputes arising among unions, employees, and Federal agencies. The effective resolution of these labor-management disputes has an important impact on the operations of the Government. These disputes arise with nearly all agencies of the executive branch, the Library of Congress, and the Government Printing Office, in locations throughout the United States and overseas.

*Authority members.*—Provides leadership in the establishment of policies and guidance relating to matters under title VII of the Civil Service Reform Act of 1978. Specifically, the authority is empowered to: (1) determine the appropriateness of units for labor organization representation; (2) supervise or conduct elections to determine whether a labor organization has been selected as an exclusive representative by a majority of the employees in an appropriate unit; (3) otherwise administer the provisions relating to the according of exclusive recognition to labor organizations; (4) pre-

scribe criteria and resolve issues relating to the granting of national consultation rights; (5) prescribe and resolve issues relating to determining compelling need for agency rules and regulations; (6) resolve issues relating to the duty to bargain in good faith; (7) prescribe criteria relating to the granting of consultation rights with respect to conditions of employment; (8) conduct hearings involving complaints of unfair labor practices; (9) resolve exceptions to arbitrators' awards; and (10) take such other actions as necessary and appropriate to effectively administer the provisions of title VII of the Civil Service Reform Act of 1978.

*General Counsel.*—Has discharged responsibilities mandated in the Federal service-management relations statute and additional responsibilities which are delegated from the authority. The functions of the Office of the General Counsel are to: (1) investigate all alleged unfair labor practices under the Federal service labor-management relations statute and under the foreign service labor-management relations statute; (2) exercise final authority over the issuance of all complaints and the prosecution of all complaints arising under the statutes listed above; (3) review and decide all appeals of decisions of the regional directors refusing to issue complaint; (4) exercise delegated authority for investigating and taking dispositive action on all representation petitions; (5) exercise delegated authority for supervising or conducting all representation elections and certifying the results of these elections to the parties; (6) exercise delegated authority for conducting hearings in all representation petitions where issues of fact are in dispute; (7) exercise delegated authority for the preparation of final decisions and orders based on the hearings held in representation cases; and (8) manage regional offices, including directing and supervising all employees of the regional offices. The regional offices are located in Atlanta, Boston, Chicago, Dallas, Denver, San Francisco, and Washington, DC. Subregional offices are located in Philadelphia, New York, Los Angeles, and Cleveland.

*Federal services impasses panel [FSIP].*—An entity within the FLRA, assists Federal agencies and unions representing Federal employees in resolving impasses which arise in labor negotiations. The FSIP assists the parties through informal meetings, factfinding and, if necessary, arbitration. The professional staff aids the panel members by promptly investigating requests for assistance; bringing about informal settlements; conducting factfinding and arbitration hearings; and drafting report recommendations as well as binding decisions for the FSIP members. Further, the staff supports the Foreign Service impasses disputes panel in resolving negotiation impasses arising under the Foreign Service Act of 1980.



GENERAL SERVICES ADMINISTRATION  
FEDERAL BUILDINGS FUND—LIMITATIONS ON AVAILABILITY OF  
REVENUE  
(INCLUDING TRANSFER OF FUNDS)  
CONSTRUCTION AND ACQUISITION

Appropriations, 1998 .....	
Budget estimate, 1999 .....	\$44,005,000
Committee recommendation .....	552,757,000

The Committee appropriates \$508,752,000 into the Federal buildings fund. This appropriation offsets the difference between the income to the fund and the expenditures from the fund. The Committee makes \$5,578,585,000 available from the Federal buildings fund for construction, repairs, and alterations and other public building services.

The Committee makes \$552,757,000 available from the Federal buildings fund for new construction and inserts a list of construction projects. The lists of projects is as follows:

<i>New construction</i>	
Arkansas: Little Rock, U.S. courthouse .....	\$3,436,000
California:	
San Diego, U.S. courthouse .....	15,400,000
San Jose, U.S. courthouse .....	10,800,000
Colorado: Denver, U.S. courthouse .....	83,959,000
District of Columbia:	
Department of Transportation, headquarters .....	14,105,000
Southeast Federal Center remediation .....	10,000,000
Florida:	
Jacksonville, U.S. courthouse .....	86,010,000
Orlando, U.S. courthouse .....	1,930,000
Georgia: Savannah, U.S. courthouse .....	46,462,000
Massachusetts: Springfield, U.S. courthouse .....	5,563,000
Michigan: Sault Sainte Marie, border station .....	572,000
Mississippi: Biloxi-Gulfport U.S. courthouse .....	7,543,000
Missouri: Cape Girardeau U.S. courthouse .....	2,196,000
Montana: Babb, Piegan border station .....	6,165,000
New York:	
Brooklyn, U.S. courthouse .....	152,626,000
New York U.S. Mission to the United Nations .....	3,163,000
Oregon: Eugene, U.S. courthouse .....	7,190,000
Tennessee: Greenville, U.S. courthouse .....	28,229,000
Texas: Laredo, U.S. courthouse .....	28,105,000
West Virginia: Wheeling, U.S. courthouse .....	29,303,000
Nationwide: nonprospectus .....	10,000,000

COURTHOUSE CONSTRUCTION

The Committee recognizes the efforts of the General Services Administration and the judiciary to reduce the cost of courthouse construction and encourages the continuation of these efforts. We are pleased that the Administrative Office of the U.S. Court's recent draft utilization study answers some questions about the utilization rates of existing and proposed courthouses. The Committee is aware of the judiciary's need to have court space available to conduct business and understands their position that a courtroom's existence may result in moving a case to settlement. However, the Committee continues to be concerned that the courts are not fully examining information that is key to the development of a utiliza-

tion planning model. As a result, the Committee requests the Administrative Office of the U.S. Courts to revise the utilization study to include the assumptions used to develop the planning model. Additionally, the Committee directs the General Services Administration to provide the utilization rates of existing and proposed courtrooms with any request for new construction, replacement, or expansion of court space.

#### ROGERS FEDERAL COURTHOUSE, DENVER, CO

The Committee has included a provision which grants the General Services Administration the authority to negotiate for and purchase the parcel of property on block 111, East Denver, Denver, CO.

#### MAUNA KEA ASTRONOMY EDUCATIONAL CENTER

Mauna Kea, on the Island of Hawaii, is known internationally as the best site for optical, infrared, and millimeter/submillimeter astronomy. It is the chosen site for all four of the new generation of 8- to 10-meter class telescopes now under construction in the Northern Hemisphere. The observatories include: the Gemini project, the Keck Observatory, Canada, France, Hawaii, the Joint Astronomy Center, Subaru, Smithsonian, and the California Institute of Technology. Eight nations are represented atop Mauna Kea with the United States' presence most prominent.

To maintain the United States' preeminence and leadership in this field, the Committee supports the establishment of an educational center to support academic and research pursuits, educational and public outreach, and national and international conferencing at the base of Mauna Kea. The Mauna Kea Astronomy Educational Center will include: a planetarium, realtime linkages to the observatories, and conferencing and instructional facilities.

The Committee directs GSA to provide \$475,000 of nonprospectus construction funds be used for the planning of the Mauna Kea Astronomy Educational Center.

#### DEPARTMENT OF TRANSPORTATION HEADQUARTERS

The Administrator of General Services is not allowed to obligate funding for the design portion of the new headquarters building for the Department of Transportation until the Secretary of Transportation approves landing rights for British Airways at Denver International Airport and guarantees landing slots to the U.S. carrier authorized to serve the Charlotte-London (Gatwick) route.

#### ARCHITECTURAL AND ENGINEERING SERVICES

The Committee is concerned about reports that GSA may practice restrictive location policies in the procurement of architectural and engineering consulting services in the National Capital Region. The Committee directs that GSA review its policies and report back to the Committee by December 1, 1998, on geographic restrictions on the awarding of architectural and engineering consultant services nationally and, should restrictive policies be identified, to provide a plan to remove restrictions and increase competition.

## REPAIRS AND ALTERATIONS

Limitation on availability, 1998 .....	\$300,000,000
Limitation on availability, 1999 .....	668,031,000
Committee recommendation .....	668,031,000

The Committee recommends new obligational authority of \$668,031,000 for repairs and alterations in fiscal year 1999. The Committee recommendation is equal to the budget estimate. The Committee has included language to delay obligation of \$323,800,000 for repairs and alterations.

Under this activity, the General Services Administration [GSA] executes its responsibility for repairs and alterations [R&A] of both Government-owned and leased facilities under the control of GSA. The major goal of this activity is to provide commercially equivalent space to tenant agencies. Safety, quality, and operating efficiency of facilities are given primary consideration in carrying out this responsibility. A major portion of the fiscal year 1998 program is devoted to nondiscretionary work necessary to meet this goal and keep the buildings in an occupiable condition.

R&A workload requirements originate with scheduled onsite inspections of buildings by qualified regional engineers and building managers. The work identified through these inspections is programmed in order of priority into the repairs and alterations construction automated tracking system [RACATS] and incorporated into a 5-year plan for accomplishment, based upon funding availability, urgency, and the volume of R&A work that GSA has the capability to execute annually. Beginning in fiscal year 1995, design and construction services activities associated with the repair and alteration projects are funded in this account.

The R&A program, for purposes of funds control, is divided into two types of projects—line item and nonline item. The following is a definition of each category of projects:

*Line item projects.*—Line item projects are those larger projects for which a prospectus is required under the provisions of the Public Buildings Act of 1959. Generally, line item projects are similar to construction projects in the scope of work involved and the multiyear timeframe for project completion. Line item projects are listed individually in GSA's appropriations acts and the obligational authority for each project is limited to the amount shown therein.

*Nonline item projects.*—Projects included in this category are generally short term in nature and funds can normally be obligated within a 1-year period. This category also includes projects which are recurring in nature, such as cyclic painting and the minor repair of defective building systems; for example, mechanical, plumbing, electrical, fire safety, and elevator system components.

*Repairs and alterations*

California: San Francisco, appraisers building .....	\$29,778,000
Colorado: Lakewood, Denver Federal Center, building 25 .....	29,351,000
District of Columbia:	
Federal office building, 10B .....	13,844,000
Interstate Commerce Commission, connecting wing complex,	
customs building, phase 3/3 .....	83,959,000
Old Executive Office Building .....	25,210,000
Department of State, phase 1 .....	29,779,000

*Repairs and alterations—Continued*

New York:	
Brookhaven, Internal Revenue Service, service center .....	20,019,000
New York, U.S. courthouse, 40 Foley Square .....	4,782,000
Pennsylvania: Philadelphia, Byrne-Green, Federal building-U.S. courthouse .....	11,212,000
Virginia: Reston, J.W. Powell Building .....	9,151,000
Nationwide:	
Chlorofluorocarbons program .....	25,000,000
Energy programs .....	25,000,000
Design program .....	16,710,000
Basic repairs and alteration .....	344,236,000

## BYRNE-GREEN FEDERAL COURTHOUSE

The Committee directs the General Services Administration to resolve the issue of the upgraded lighting system for the Byrne-Green Federal Courthouse in Philadelphia, PA, and requests GSA to provide, from existing funds, the resources necessary to address the situation.

## FEDERAL BUILDING AND U.S. COURTHOUSE

The Committee supports the Federal buildings fund providing \$1,600,000 to complete the basic repair and alteration of the Federal building and U.S. courthouse located at 517 East Wisconsin Ave. in Milwaukee, WI. This funding will allow the courts to recover available space in the existing building for the construction of a courtroom within the existing structure. As a result, the Federal building and U.S. courthouse, first opened in 1899, would be fully utilized as an important historic structure.

## SUITLAND FEDERAL COMPLEX

The Committee supports providing \$1,100,000 from the basic repair and alteration funding levels for a new fence to surround the Suitland Federal complex in Suitland, MD. Replacement of the fence is necessary since the existing fence is a blight on the community and does not provide adequate security to employees in the complex. It is suggested that the existing barbed wire fence be replaced with a wrought iron fence that improves the visual impact for the community and provides increased security for the employees of the Federal complex.

## EDWARD ZORINSKY BUILDING

The Committee supports the President's request for \$2,797,000 to design the repair and alteration of the Edward Zorinsky Federal Building. The Zorinsky Building in Omaha, NE, which currently houses the Internal Revenue Service, is over 65 years old. To ensure this Federal asset continues to house Federal employees it is important that the facility's operational systems are upgraded.

## TUSCALOOSA, AL

The Committee directs the General Services Administration to assess and report on the cost of and need for the repair of the Federal building in Tuscaloosa, AL.

## BUTTE-SILVER BOW COURTHOUSE, MT

The Committee directs GSA to conduct a study on alternatives for funding the repairs and renovations of the Butte-Silver Bow Courthouse located in Butte, MT. The Committee expects the study to be completed in fiscal year 1999.

## INSTALLMENT ACQUISITION PAYMENTS

Limitation on availability, 1998 .....	\$142,542,000
Limitation on availability, 1999 .....	215,764,000
Committee recommendation .....	215,764,000

The Committee recommends a limitation of \$215,764,000 for installment acquisition payments. The Committee recommendation equals the budget estimate.

The Public Buildings Amendments of 1972 enables GSA to enter into contractual arrangements for the construction of a backlog of approved but unfunded projects. The purchase contracts require the Government to make periodic payments on these facilities over varying periods until title is transferred to the Government. This activity provides for the payment of principal, interest, taxes, and other required obligations related to facilities acquired pursuant to the Public Buildings Amendments of 1972 (40 U.S.C. 602a).

## RENTAL OF SPACE

Limitation on availability, 1998 .....	\$2,275,340,000
Limitation on availability, 1999 .....	2,583,261,000
Committee recommendation .....	2,583,261,000

The Committee recommends a limitation of \$2,583,261,000 for rental of space. The Committee recommendation is equal to the budget estimate. The Committee has included language to delay obligation of \$51,667,000 for the "Rental of space" account. The Committee realizes that this account is utilized to pay bills associated with renting space and believes that the 98 percent outlay level available will be adequate to cover bills that come due in 1999.

The General Services Administration is responsible for leasing general purpose space and land incident thereto for Federal agencies, except cases where the GSA has delegated its leasing authority (for example, the Department of Veterans Affairs, as well as the Departments of Agriculture, Commerce, and Defense). The GSA's policy is to lease privately owned buildings and land only when: (1) Federal space needs cannot be otherwise accommodated satisfactorily in existing Government-owned or leased space; (2) leasing proves to be more efficient than the construction or alteration of a Federal building; (3) construction or alteration is not warranted because requirements in the community are insufficient or are indefinite in scope or duration; or (4) completion of a new Federal building within a reasonable time cannot be assured.

## NATIONAL TRACING CENTER EXPANSION

The Committee urges the General Services Administration to work with the Bureau of Alcohol, Tobacco and Firearms to provide the necessary expanded facilities to meet the chronic space needs at the National Tracing Center in Martinsburg, WV.

## BUILDING OPERATIONS

Limitation on availability, 1998 .....	\$1,331,789,000
Limitation on availability, 1999 .....	1,554,772,000
Committee recommendation .....	1,554,772,000

The Committee recommends a limitation of \$1,554,772,000 for building operations. The Committee recommendation is equal to the budget estimate. The Committee has included language to delay obligation of \$31,095,000 for the "Building operations" account. The Committee realizes that this account is utilized to pay bills associated with operations of Federal office space and believes that the 98 percent outlay level available will be adequate to cover bills that come due in 1999.

This activity provides for the operation of all Government-owned facilities under the jurisdiction of the GSA and building services in GSA-leased space where the terms of the lease do not require the lessor to furnish such services. Services included in building operations are cleaning, protection, maintenance, payments for utilities and fuel, grounds maintenance, and elevator operations. Other related supporting services include various real property management and staff support activities such as space acquisition and assignment; the moving of Federal agencies as a result of space alterations in order to provide better space utilization in existing buildings; onsite inspection of building services and operations accomplished by private contractors; and various highly specialized contract administration support functions.

The space, operations, and services referred to above are furnished by the GSA to its tenant agencies in return for payment of rent. Due to considerations unique to their operation, the GSA also provides varying levels of above-standard services in agency headquarter facilities, including those occupied by the Executive Office of the President, such as the east and west wings of the White House.

## NEWARK FEDERAL AND MUNICIPAL BUILDING SECURITY COSTS

The Committee urges the General Services Administration to provide a report regarding the Federal Government's responsibility and cost for providing security to the Federal portion of the Newark Federal and municipal complex.

## ADMINISTRATIVE AND LOGISTICAL SUPPORT

GSA has in the past provided administrative and logistical support to the Olympics, Pan-American games, and other international events. GSA performs these duties under authorities of the Department of the Army on a reimbursable basis. The Committee has directed GSA to support the 1999 Women's World Cup Soccer and the 1999 World Alpine Ski Championships in Vail, CO. GSA should continue to work with the Department of the Army under its authorization to provide a Governmentwide approach to these events. The Department of the Army is directed to make its authorities available to GSA following this approach.

## SUPPLY AND TECHNOLOGY ACTIVITIES

## GENERAL SUPPLY FUND

The General Services Administration general supply fund finances, on a reimbursable basis, the following services to Federal agencies: direct delivery of supplies nationwide, sale of surplus personal property worldwide, discounted rates for transportation, travel, lodging, and small package mailing, and a federally managed contracting schedule for commercial items, services, and fleet management.

## RETAIL PACKAGING PRODUCTS

The Committee directs the General Accounting Office to conduct a thorough study of the program, and to report its findings to Congress within 9 months after the date of enactment. The purpose of this study is to determine how GSA is complying with the intent of Congress that it fully recover its costs related to the retail packaging products program. The Committee directs GAO to consult with experts in the retail packaging industry.

## POLICY AND OPERATIONS

## SALARIES AND EXPENSES

Appropriations, 1998 .....	\$107,487,000
Budget estimate, 1999 .....	106,494,000
Committee recommendation .....	106,494,000

The Committee recommends an appropriation of \$106,494,000 for salaries and expenses for the policy and operations of the General Services Administration. The Committee recommendation equals the budget request.

The Committee provides full funding for Governmentwide policy and evaluation functions associated with asset management activities; utilization and donation of surplus personal property; Governmentwide and internal responsibilities related to automated data development, telecommunications, and information systems. The Office of Governmentwide Policy shall work cooperatively with other agencies to provide the leadership necessary to achieve the most cost-effective solutions for the delivery of administrative services.

The Committee has included a new provision pertaining to the Old Post Office at 1100 Pennsylvania Avenue in Northwest Washington, DC, and the future plans for that site.

## CHILD CARE CENTERS

The Committee recommends that of the funds provided the Office of Policy and Operations, up to \$900,000 be used to issue and enforce regulations requiring any entity operating a child care center in a facility owned or leased by an executive agency to (1) comply with applicable State and local licensing requirements related to the provision of child care and (2) comply with center-based accreditation standards specified by the Administrator, if such a regulatory program is authorized.

## SURPLUS EQUIPMENT TO SCHOOLS AND EDUCATIONAL INSTITUTIONS

The Committee urges the General Services Administration, in line with its responsibilities for the disposal of excess and surplus Federal personal property, to promote and foster the transfer of excess and surplus computer equipment directly to schools and to the appropriate nonprofit, community-based educational organizations. The GSA should communicate with other Federal agencies to heighten their ongoing awareness of the existing opportunities at both the national and local levels to meet the needs of the schools for such equipment.

All Federal agencies are required, to the extent permitted by law and after determining that the equipment is excess to their needs, to give highest preference to schools and nonprofit organizations in the transfer of educationally useful Federal computer equipment. Agencies are required to inventory all computer equipment and identify in their inventories their excess and surplus equipment. Federal agencies are also required to report to GSA the transfer of any personal property, including computer equipment, made to nongovernmental entities such as schools.

The Committee commends GSA and the Office of Science and Technology Policy for the progress that has been made simplifying and improving the Federal Surplus Computer Donation Program. One remaining hurdle for schools interested in participating in the program is the lack of operating systems on many donated computers. The Committee urges GSA and OSTP to work together with operating system providers to develop a partnership with those providers similar to the partnership that has already been formed with van lines to assist in transporting donated computers. The goal of this partnership would be to provide operating systems to schools which receive computers through the donation program.

## FEDERAL OFFICE BUILDING IN COLORADO SPRINGS

The Federal building located at 1520 Willamette Ave. in Colorado Springs, CO, is owned by GSA and is currently leased to the U.S. Air Force Space Command. It is the Committee's understanding that Space Command is moving ahead with options to vacate the facility. In the event that Space Command does not renew its lease and the facility becomes vacant and is deemed surplus, the Committee urges GSA to strongly consider the U.S. Olympic Committee's [USOC] need for additional space and to give priority to the USOC's request to gain title or acquire the property.

## OFFICE OF INSPECTOR GENERAL

Appropriations, 1998 .....	\$33,870,000
Budget estimate, 1999 .....	32,000,000
Committee recommendation .....	32,000,000

The Committee recommends an appropriation of \$32,000,000 for the Office of Inspector General, which equals the budget estimate.

The Office of Inspector General [OIG] implements in its entirety the provisions of the Inspector General Act.

Consistent with the Inspector General Act, the OIG has been given total responsibility for the audit and investigative functions of the agency. Its mission is to detect and investigate all instances



of fraud and abuse and assure that proper corrective action is taken. The Office is also charged with the responsibility for reporting on waste, inefficiency, and mismanagement, and making recommendations for improvement.

Audit services provided by the OIG fall within two broad categories: audits of GSA contracts and internal audits, including inspections. Through the preaward and postaward auditing of GSA contracts, the OIG provides professional advice on accounting and financial matters related to the negotiation, award, administration, repricing, and settlement of contracts. Internal audits deal with all facets of GSA operations.

Inspections services provide detailed technical evaluations of GSA operations. The investigations program provides for the detection and investigation of illegal or unethical activities against GSA by its employees, vendors doing business with the agency, and by other individuals or groups of individuals.

The Inspector General Act also requires that the inspectors general move beyond their traditional role of detecting and preventing fraud, waste, and abuse, to also assume responsibility for promoting economy and efficiency. The GSA Office of Inspector General has a unique role within the Federal structure in that its activities affect all Federal agencies and several State programs. The broadened mandate requires increased emphasis on more effective involvement with other governmental agencies, identification of systemic problems, participation in the design of new programs, review of proposed legislation and regulations, and employee awareness programs.

#### ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

Appropriations, 1998 .....	\$2,208,000
Budget estimate, 1999 .....	2,241,000
Committee recommendation .....	2,241,000

The Committee recommends \$2,241,000 for allowances and office staff for former Presidents, which equals the budget request.

This program is authorized by the Former Presidents Act, Public Law 85-745 (3 U.S.C. 102 note), of August 25, 1958, as amended. It provides for an annual pension paid monthly to each former President and each widow of a former President; compensation for staff assistants employed by each former President; and funding for office space, furnishings, and equipment as appropriate (defined under CG Decision B-114073, Mar. 8, 1961). The Supplemental Appropriations Act of October 21, 1968, Public Law 90-608, 82 Stat. 1192, allows for travel and related expenses for each former President and not to exceed two members of his staff. Title 39 U.S.C. 3214 authorizes a former President and widow to send all mail in the United States and its territories as franked mail. Under the Presidential Transition Act, section 3(a)(7), each former President may use penalty mail.

This appropriation provides for the pensions, office staffs, and related expenses for former Presidents Gerald R. Ford, Jimmy Carter, Ronald Reagan, and George Bush and for the pension and postal franking privileges for the widow of former President Lyndon B. Johnson.

Below is listed a detailed breakdown of the fiscal year 1999 funding:

ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS, FISCAL YEAR 1999

[In thousands of dollars]

	Former Presidents				Widows	Total
	Ford	Carter	Reagan	Bush		
Personnel compensation .....	96	96	96	96	.....	384
Personnel benefits .....	26	5	24	39	.....	94
Benefits for former personnel: Pensions ..	152	152	152	152	20	628
Travel .....	50	2	26	57	.....	135
Rental payment to General Services Administration .....	77	93	275	138	.....	583
Communications, utilities, miscellaneous charges:						
Telephone .....	17	28	15	18	.....	78
Postage .....	7	22	10	12	2	53
Printing .....	7	4	14	8	.....	33
Other services .....	14	79	69	18	.....	180
Supplies and materials .....	9	14	16	9	.....	48
Equipment .....	5	9	3	8	.....	25
Total obligations .....	460	504	700	555	22	2,241

GSA GENERAL PROVISIONS

The Committee has recommended the inclusion of the following general provisions:

Section 401 continues a provision which authorizes GSA to credit accounts with certain funds received from Government corporations.

Section 402 continues a provision which authorizes GSA to use funds for the hire of passenger motor vehicles.

Section 403 continues a provision which authorizes GSA to transfer funds within the Federal buildings fund for meeting program requirements.

Section 404 continues a provision which limits funding for courthouse construction which does not meet certain standards of a capital improvement plan.

Section 405 continues a provision which provides that no funds may be used to increase the amount of occupiable square feet, provide cleaning services, security enhancements, or any other service usually provided, to any agency which does not pay the requested rate.

Section 406 continues a provision which allows pilot information technology projects to be repaid from the information technology fund.

Section 407 continues a provision which authorizes GSA to pay claims up to \$250,000 from construction projects and acquisition of buildings.

Section 408 provides for the demolition, cleanup, and transfer of the property at block 35 and lot 2 of block 36, Anchorage original townsite east addition, Anchorage, AK.

Section 409 provides that the Administrator of General Services may convey, without consideration, to the city of Racine, WI, all right, title, and interest of the United States in and to a parcel of excess real property, including improvements thereon, that is located on 2310 Center Street, Racine, WI, and contains the U.S. Army Reserve Center.

MORRIS K. UDALL SCHOLARSHIP AND EXCELLENCE IN NATIONAL  
ENVIRONMENTAL POLICY FOUNDATION

Appropriations, 1998 .....	\$1,750,000
Budget estimate, 1999 .....	2,000,000
Committee recommendation .....	

MORRIS K. UDALL ENVIRONMENTAL DISPUTE RESOLUTION FUND

Appropriations, 1998 .....	
Budget estimate, 1999 .....	\$4,000,000
Committee recommendation .....	

The Committee is sympathetic to the proposal to capitalize a fund providing for environmental conflict resolution and training. However, given the competing demands on limited funds, the Committee cannot recommend funding the initiative at this time.

MERIT SYSTEMS PROTECTION BOARD

SALARIES AND EXPENSES

Appropriations, 1998 .....	\$25,290,000
Budget estimate, 1999 .....	25,805,000
Committee recommendation .....	25,805,000

The Committee recommends an appropriation of \$25,805,000 for the Merit Systems Protection Board. The Committee recommendation is equal to the budget estimate.

The Merit Systems Protection Board is an independent, quasi-judicial agency, charged by Congress with protecting the integrity of Federal merit systems against partisan political and other prohibited personnel practices, ensuring adequate protection for employees against abuses by agency management, and requiring executive branch agencies to make employment decisions based on individual merit. This mission is carried out principally by: (1) adjudicating employee appeals of agency personnel actions, such as removals, suspensions, and demotions; (2) adjudicating actions brought by the special counsel involving alleged abuses of the merit systems; (3) adjudicating actions brought under the Whistleblower Protection Act; (4) ordering compliance with final orders where necessary; (5) conducting special studies of the civil service and other merit systems in the executive branch to determine whether they are free of prohibited personnel practices; (6) analyzing and reporting on the significant actions of the Office of Personnel Management [OPM]; and (7) reviewing regulations issued by OPM to ensure they do not require or result in the commission of a prohibited personnel practice.

LIMITATION  
(TRANSFER OF FUNDS)

Appropriations, 1998 .....	\$2,430,000
Budget estimate, 1999 .....	2,430,000
Committee recommendation .....	2,430,000

The Committee has recommended a limitation of \$2,430,000 on the amount to be transferred from the civil service retirement and disability fund to the Board to cover administrative expenses to adjudicate retirement appeals cases. This amount equals the budget request.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION  
OPERATING EXPENSES

Appropriations, 1998 .....	\$205,166,500
Budget estimate, 1999 .....	230,025,000
Committee recommendation .....	221,030,000

The Committee recommends an appropriation of \$221,030,000. The Committee recommendation is \$15,863,000 more than the fiscal year 1998 level. The Committee has included language to delay obligation of \$4,277,000.

The Committee recommends \$6,220,000 for adjustments for mandatory cost increases and \$1,226,000 for records center reimbursement planning, a one-time cost. In addition, the Committee has provided funding to promote records management, electronic records management, as well as upgrade of NARANet life cycle systems and preservation, storage, and duplication of nationwide non-textual records and military records holdings at risk. The Committee notes that the administration's request includes \$5,411,000 for year 2000 conversion costs. The Committee has provided an additional emergency appropriation to address these costs.

The National Archives and Records Administration became an independent agency on April 1, 1985. This appropriation provides for basic operations dealing with management of the Government's archives and records, operation of Presidential libraries, grants for historical publications, and for the review for declassification of all security classified information.

*Records center.*—The records center activity provides for the accessioning, storage, reference service, and disposal of the semiactive and noncurrent records of Federal agencies through a nationwide system of 14 records centers. Significant savings result from use of low-cost records storage and the efficient and timely disposal of nonpermanent records.

*Archives and related services.*—This activity provides for selecting, preserving, describing, and making available to the general public, scholars, and Federal agencies, the permanently valuable historical records of the Federal Government and the historical material in Presidential libraries, related publications and exhibit programs, and the appraisal of all Federal records. It also provides for the publication of the Federal Register and Code of Federal Regulations, the U.S. Statutes at Large, Presidential documents, and for a program to improve the quality of regulations and the public's access to them. It also provides for the systematic review of all classi-

fied records in the National Archives which are over 30 years old, except intelligence and cryptological materials dated after 1945, which are to be reviewed when 50 years old.

*Program direction.*—This activity provides for general direction and program support for all programs assigned to the National Archives and Records Administration [NARA]. Direction is provided by the Archivist, his staff, and the Office of Management and Administration.

#### ARCHIVES FACILITIES REPAIRS AND RESTORATION

Appropriations, 1998 .....	\$14,650,000
Budget estimate, 1999 .....	10,450,000
Committee recommendation .....	11,325,000

The Committee recommends an appropriation of \$11,325,000. The Committee has provided \$2,000,000 for a renovation concept design for the National Archives Building and \$4,000,000 for design and construction of encasements for the Charters of Freedom. The Committee has included language to delay the obligation of \$2,000,000.

This account provides for the repair, alteration, and improvement of the Archives facilities and Presidential libraries nationwide, and for providing adequate storage for archival holdings nationwide. It will better enable the National Archives to provide adequate storage for holdings, to maintain its facilities in proper condition for public visitors, researchers, and employees in NARA facilities, and to maintain the structural integrity of the buildings.

The Committee is concerned about the impending space crisis faced by the National Archives and Records Administration. While the Committee is providing sufficient funds to support the immediate needs dictated by the dramatic increase in electronic records and all of the attendant problems associated with the storage and access to these vital resources, we are aware that the records being accessioned by NARA are still largely paper records. NARA operates 2 archival facilities in the Washington area, 17 regional records facilities, and 9 Presidential libraries, spread nationwide from Atlanta to Denver to Anchorage. These buildings house more than 20 million cubic feet of documentary material. That material has increased in volume by more than one-third just in the past decade, and we have been adding more than one-half million cubic feet of mostly paper-based records per year.

The National Archives and Records Administration is currently conducting a study of its space needs into the next millennium. The Committee applauds this effort and looks forward to working with the agency on priorities and strategies to ensure long-term, appropriate space for both the temporary and permanently valuable records of our national life.

The Committee recognizes that among the immediate priorities faced by NARA is inadequate space in the Anchorage facility to accommodate the permanent records currently being held by Federal agencies in Alaska. In order to determine the space needs for Anchorage into the next millennium and to begin the design process on either an expanded or new facility, the Committee recommends \$875,000 within the repairs and restoration appropriation, to remain available until expended.

NATIONAL HISTORICAL PUBLICATIONS AND RECORDS COMMISSION  
GRANTS PROGRAM

Appropriations, 1998 .....	\$5,500,000
Budget estimate, 1999 .....	6,000,000
Committee recommendation .....	11,000,000

The Committee recommends an appropriation of \$11,000,000.

The National Historical Publications and Records Commission [NHPRC] reviews and recommends project grants to Federal and State governments and private nonprofit institutions, chiefly universities and research libraries. It makes plans, estimates, and recommendations for the publication of important historical documents and works with various public and private institutions in collecting, editing, and publishing papers significant to the history of the United States. The Commission is composed of members appointed by, and representing, the President, Congress, Supreme Court, executive agencies, and historical and archival societies.

FOUNDING FATHERS' PAPERS

The Committee is pleased with the decision by the National Historical Publications and Records Commission to restore top level priority in its strategic plan for projects to publish the papers of America's Founding Fathers.

CENTER FOR JEWISH HISTORY

The Committee has provided an additional \$5,000,000 to the NHPRC for a grant to the Center for Jewish History to assist in the preservation and presentation of Jewish history and culture. The funds would be used to help compile records of Judaic history and digitize their archives for worldwide use on the Internet. This is a vast undertaking, which will allow researchers, students, and all interested persons access to the largest Jewish archive in the world.

OFFICE OF GOVERNMENT ETHICS

SALARIES AND EXPENSES

Appropriations, 1998 .....	\$8,265,000
Budget estimate, 1999 .....	8,492,000
Committee recommendation .....	8,492,000

The Committee recommends an appropriation of \$8,492,000 for salaries and expenses of the Office of Government Ethics in fiscal year 1999. This amount is equal to the budget request.

Public Law 100-598 authorized the establishment of the Office of Government Ethics as an independent executive branch agency separate and apart from the Office of Personnel Management beginning October 1, 1989.

The Office of Government Ethics functions primarily in six areas, pursuant to the Ethics in Government Act of 1978. Those areas are:

- Regulatory authority for conflict of interest and postemployment statutes, standards of conduct, and financial disclosure programs throughout the executive branch;

- Public financial disclosure review and certification for all advice and consent Presidential appointees, and the monitoring of ethics agreements which are executed incident to that review to prevent ethics violations;
- Education and training to promote understanding among agency ethics officials and employees, as well as the general public;
- Guidance and interpretation concerning the conflict of interest statutes, standards of conduct, and financial disclosure, through advisory opinions, telephone advice, and consultation with agency ethics officials;
- Enforcement by monitoring and auditing agency ethics programs, and ordering corrective action where appropriate; and
- Evaluation of the effectiveness of ethics laws and regulations, as well as agency implementation.

#### OFFICE OF PERSONNEL MANAGEMENT

##### SALARIES AND EXPENSES

Appropriations, 1998 .....	\$85,350,000
Budget estimate, 1999 .....	85,350,000
Committee recommendation .....	85,350,000

The Committee recommends an appropriation of \$85,350,000 for the salaries and expenses of the Office of Personnel Management. The Committee recommendation equals the budget estimate.

The Office of Personnel Management's primary responsibilities include the Employment Service, Executive Resource, Investigations Service, Human Resources Systems Service, and the Merit Systems oversight and effectiveness programs. OPM also has administrative responsibility for the President's Commission on White House Fellowships, the Federal Prevailing Rate Advisory Committee, and parts of the Voting Rights Program.

The Committee has funded the initiatives requested by the administration, as outlined in the budget justification, plus the functions and personnel transferred from the General Accounting Office, subsequent to enactment of Public Law 104-53.

##### HEALTH PROMOTION AND DISEASE PREVENTION

The Committee again instructs OPM to expend up to \$300,000 in fiscal year 1999 to continue and expand efforts to ensure that Federal employees and their families have ready access to health promotion and disease prevention activities. The Committee continues to be aware that the U.S. prevention services task force has reported that substituting behavioral interventions in ways to maintain good health could be more likely to reduce morbidity and mortality in this country than any other category of clinical intervention. The Committee expects the OPM to continue to work with the University of Hawaii to utilize its unique expertise in developing culturally sensitive model health programs for minority/ethnic populations of Hawaii as a precursor to Governmentwide application. With regard to previous years' deliverables, the Committee also expects the university and OPM to work together to resolve any outstanding issues by March 31, 1999.

## VOTING RIGHTS ACT

The Committee continues to include a provision requested by the administration to allow Federal employees acting as Voting Rights Act observers to receive per diem at their permanent duty station. This provision makes it feasible for these observers to work in local areas and allow the Government to discontinue the practice of recruiting observers from distant locations and assuming the per diem, as well as travel costs.

## LIMITATION

## (TRANSFER OF FUNDS)

Limitation, 1998 .....	\$91,236,000
Budget estimate, 1999 .....	91,236,000
Committee recommendation .....	91,236,000

The Committee recommends a limitation of \$91,236,000. This amount equals the budget request.

These funds will be transferred from the appropriate trust funds of the Office of Personnel Management to cover administrative expenses for the retirement and insurance programs.

## OFFICE OF INSPECTOR GENERAL

## SALARIES AND EXPENSES

Appropriations, 1998 .....	\$960,000
Budget estimate, 1999 .....	960,000
Committee recommendation .....	960,000

The Committee recommends an appropriation of \$960,000 for salaries and expenses of the Office of Inspector General in fiscal year 1999. This amount equals the budget estimate.

The Office of Inspector General was established as a statutory entity under the Inspector General Act Amendments of 1988, Public Law 100-504, effective April 16, 1989. The Office of Inspector General is charged with establishing policies for conducting and coordinating efforts which promote economy, efficiency, and integrity in the Office of Personnel Management's activities which prevent and detect fraud, waste, and abuse in the agency's programs. Furthermore, as a means of assuring that inspector general offices maintain the ability to function independently within the overall structure of their agencies, the 1988 legislation required a direct semiannual reporting structure among the inspector general and the agency head and Congress and allowed inspectors general to perform a number of internal management functions, such as budget, personnel, and procurement, separate and apart from the agencies' existing systems. The Office of Inspector General carries out its programmatic mandate in three principal operational areas: audits and inspections of OPM activities and operations; investigations; and followup and reporting.

## (LIMITATION ON TRANSFER FROM TRUST FUNDS)

Limitation, 1998 .....	\$8,645,000
Budget estimate, 1999 .....	9,145,000
Committee recommendation .....	9,145,000



The Committee recommends a limitation on transfers from the trust funds in support of the Office of Inspector General activities totaling \$9,145,000 for fiscal year 1999, as requested. This amount equals the budget estimate.

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES HEALTH  
BENEFITS

Appropriations, 1998 .....	\$4,338,000,000
Budget estimate, 1999 .....	4,632,000,000
Committee recommendation .....	4,632,000,000

The Committee recommends an appropriation of \$4,632,000,000 for Government payments for annuitants, employees health benefits. The Committee recommendation equals the budget estimate.

This appropriation funds the Government's share of health benefit costs for annuitants and survivors who no longer have an agency to contribute the employer's share. The Office of Personnel Management requests the appropriation necessary to pay this contribution to the employees health benefits fund and the retired employees health benefits fund. These revolving trust funds are available for: (1) the payment of subscription charges to approved carriers for the cost of health benefits protection; (2) contributions for qualified retired employees and survivors who carry private health insurance under the Retired Employees Health Benefits Program; and (3) the payment of expenses incurred by the Office of Personnel Management in the administration of these programs.

Public Law 93-246 provides for Government contributions to enrollees in the Employees Health Benefits Program equal to 60 percent of the unweighted average of the high-option premiums of six large plans. The total obligations for fiscal year 1995 reflect the use of payments made by the U.S. Postal Service to the employees health benefits fund to finance the cost of the Government's contribution for annuitants health benefits as provided in Public Law 100-203. In addition, Public Law 99-272 provides that the Government contribution for health benefits for individuals who first become annuitants by reason of retirement from employment with the U.S. Postal Service on or after October 1, 1986, shall be paid by the U.S. Postal Service.

This appropriation also provides financing for the Government's share of health benefit costs for annuitants and survivors covered under the Retired Employees Health Benefits Program. Public Law 96-156 provides for increased Government contributions toward the subscription charge for health coverage, tied to increases in the cost of part B (medical) of Medicare, for those annuitants who retired prior to July 1, 1960.

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEE LIFE  
INSURANCE

Appropriations, 1998 .....	\$32,000,000
Budget estimate, 1999 .....	35,000,000
Committee recommendation .....	35,000,000

The Committee recommends an appropriation of \$35,000,000 for the Government payment for annuitants, employee life insurance in fiscal year 1999. This amount equals the budget request.

Public Law 96–427, the Federal Employees’ Group Life Insurance Act of 1980 requires that all employees under the age of 65 who separate from the Federal Government for purposes of retirement on or after January 1, 1990, continue to make contributions toward their basic life insurance coverage after retirement until they reach the age of 65. These retirees will contribute two-thirds of the cost of the basic life insurance premium, identical to the amount contributed by active Federal employees for basic life insurance coverage. As with the active Federal employees, the Government is required to contribute one-third of the cost of the premium for basic coverage. OPM, acting as the payroll office on behalf of Federal retirees, has requested, and the Committee has provided, the funding necessary to make the required Government contribution associated with annuitants’ postretirement life insurance coverage.

#### PAYMENT TO CIVIL SERVICE RETIREMENT AND DISABILITY FUND

Appropriations, 1998 .....	\$8,336,000,000
Budget estimate, 1999 .....	8,682,297,000
Committee recommendation .....	8,682,297,000

The Committee recommends an appropriation of \$8,682,297,000 for payment to the civil service retirement and disability fund. The Committee recommendation equals the budget estimate.

The civil service retirement and disability fund was established in 1920 to administer the financing and payment of annuities to retired Federal employees and their survivors. The fund covers the operation of the Civil Service Retirement System and the Federal Employees’ Retirement System.

The payment to the civil service retirement and disability fund consists of an appropriation and a permanent indefinite authorization to pay the Government’s share of retirement costs as defined in the Civil Service Retirement Amendments of 1969 (Public Law 91–93), the Federal Employees’ Retirement System Act of 1986 (Public Law 99–335), and the Civil Service Retirement Spouse Equity Act of 1985 (Public Law 98–615). The payment is made directly from the general fund of the U.S. Treasury, and is in addition to appropriated funds that will be contributed from agency budgets in fiscal year 1999.

Public Law 91–93 provides for an annual appropriation to amortize, over a 30-year period, all increases in Civil Service Retirement System costs resulting from acts of Congress granting new or liberalized benefits, extensions of coverage, or pay raises. However, the effects of cost-of-living adjustments are not amortized. The total current appropriation for fiscal year 1999 is the sum of the annual payments authorized since the law was enacted in 1969 plus the estimated payment resulting from assumed pay raises totaling 2.8 percent in January 1998. It also includes funding for the annuities of persons employed on the construction of the Panama Canal and widows of former Lighthouse Service employees. The total fiscal year 1999 current appropriation request represents an increase of \$315,044,000 from the amount provided in fiscal year 1998 primarily due to increases in employees’ pay.

Public Law 91–93 also provides permanent, indefinite authorization for the Secretary of the Treasury to transfer, on an annual basis, an amount equal to 5 percent interest on the civil service re-

tirement and disability fund's current unfunded liability, calculated based on static economic assumptions, and annuity disbursements attributable to credit for military service. It also includes a payment in accordance with Public Law 98-615 which provides for the Secretary of the Treasury to transfer an amount equal to the annuities granted to eligible former spouses of annuitants who died between September 1978 and May 1985, and who did not elect survivor coverage.

#### OFFICE OF SPECIAL COUNSEL

##### SALARIES AND EXPENSES

Appropriations, 1998 .....	\$8,450,000
Budget estimate, 1999 .....	8,720,000
Committee recommendation .....	8,720,000

The Committee recommends an appropriation of \$8,720,000 for the Office of Special Counsel.

The Office of the Special Counsel is charged with enforcement of certain provisions of the Civil Service Reform Act of 1978 (Public Law 95-454 and 5 U.S.C. 1204-1208). The primary functions of the office are: (1) to investigate and, if appropriate, prosecute before the Merit Systems Protection Board prohibited personnel practices and activities prohibited by other civil service law, rule, or regulation; (2) to investigate and, if appropriate, prosecute prohibited political activities on the part of Federal and covered State and local employees; and (3) to provide employees a protected means of disclosing information concerning wrongdoing in Federal agencies with assurance that the confidentiality of the discloser will be maintained and that appropriate action will be taken.

The statute requires OSC to investigate and, if warranted, prosecute: all allegations of prohibited personnel practices, including reprisal for protected disclosures of information; prohibited political activity; arbitrary or capricious withholding of information under the Freedom of Information Act; involvement of any employee in any prohibited discrimination found by any court or appropriate administrative authority; and any other activity prohibited by civil service law, rule, or regulation. OSC also provides a safe channel for disclosure of information evidencing waste, fraud, and abuse and referral of such information to agencies.

#### U.S. TAX COURT

##### SALARIES AND EXPENSES

Appropriations, 1998 .....	\$33,921,000
Budget estimate, 1999 .....	34,490,000
Committee recommendation .....	32,765,000

The Committee recommends an appropriation of \$32,765,000 for the U.S. Tax Court.

The U.S. Tax Court is an independent judicial body in the legislative branch under article I of the Constitution of the United States. The court is composed of a chief judge and 18 judges. Decisions by the court are reviewable by the U.S. Courts of Appeals and, if certiorari is granted, by the Supreme Court.

In their judicial duties the judges are assisted by senior judges, who participate in the adjudication of regular cases, and by special trial judges, who hear small tax cases and certain regular cases assigned to them by the chief judge.

The court conducts trial sessions throughout the United States, including Hawaii and Alaska.

The U.S. Tax Court hears and decides cases involving Federal income, estate and gift tax deficiencies, and excise taxes relating to public charities, private foundations, qualified pension plans, real estate investment trusts, and windfall profit tax on domestic crude oil. It also renders declaratory judgments regarding the qualification or continuing qualification (including revocations of rulings on the exemptions) of retirement plans.

The Tax Court has jurisdiction to render declaratory judgments with respect to exempt organization status determinations pursuant to section 501(c)(3), Internal Revenue Code, and to enter declaratory judgments on the tax treatment of interest on proposed issues of Government obligations. In addition, the court has jurisdiction over actions to restrain disclosure and to obtain additional disclosure with respect to public inspection of written determinations issued by the Internal Revenue Service, and actions to compel the disclosure of the identity of third-party contacts relating to written determinations made by the Internal Revenue Service.

For 1999, the court proposes a trial program of 340 weeks consisting of 150 weeks of regular trial sessions and 90 weeks of small tax case sessions. In addition, the court plans to schedule special sessions for lengthy trials consisting of approximately 100 weeks.

## STATEMENT CONCERNING GENERAL PROVISIONS

Traditionally, the Treasury and General Government appropriation bill has included general provisions which govern both the activities of the agencies covered by the bill, and, in some cases, activities of agencies, programs, and general government activities that are not covered by the bill. Those general provisions that are Governmentwide in scope are contained in title VI of this bill.

The bill contains a number of general provisions that have been carried in this bill for years and which are routine in nature and scope. General provisions in the bill are explained under this section of the report. Those general provisions that deal with a single agency only are shown immediately following that particular agency's or department's appropriation accounts in the bill. Those general provisions that address activities or directives affecting all of the agencies covered in this bill are contained in title V of the bill.

## TITLE V—GENERAL PROVISIONS

### THIS ACT

Section 501 continues a provision which limits the use of appropriated funds to the current fiscal year.

Section 502 continues a provision regarding consultant services.

Section 503 continues a provision which prohibits the use of funds to engage in activities which would prohibit in the enforcement of section 307 of the 1930 Tariff Act.

Section 504 continues a provision which prohibits the transfer of control over the Federal Law Enforcement Training Center.

Section 505 continues the provision concerning the employment rights of Federal employees who return to their civilian jobs after assignment with the Armed Forces.

Section 506 continues a provision which requires compliance with the Buy American Act.

Section 507 continues a provision which states the sense of Congress regarding notice and purchase of American-made products.

Section 508 continues a provision which prohibits an individual from eligibility for Government contracts if a court determines that individual has intentionally fraudulently affixed a “Made in America” label to any product non-American made.

Section 509 continues a provision which provides up to 50 percent of unobligated balances may remain available for authorized purposes in compliance with reprogramming guidelines.

Section 510 continues a provision which prohibits the Executive Office of the President from using appropriated funds to request FBI background investigation reports.

## TITLE VI—GENERAL PROVISIONS, DEPARTMENTS, AGENCIES, AND CORPORATIONS

The Committee has recommended the inclusion of the following general provisions:

Section 601 continues a provision authorizing agencies to pay travel costs of the families of Federal employees on foreign duty to return to the United States in the event of death or a life threatening illness of an employee.

Section 602 continues a provision requiring agencies to administer a policy designed to ensure that all of its workplaces are free from the illegal use of controlled substances.

Section 603 continues a provision authorizing reimbursement for travel, transportation, and subsistence expenses incurred for training classes, conferences, or other meetings in connection with the provision of child care services to Federal employees.

Section 604 continues a provision regarding price limitations on vehicles to be purchased by the Federal Government.

Section 605 continues a provision allowing funds made available to agencies for travel to also be used for quarters allowances and cost-of-living allowances.

Section 606 continues a provision prohibiting the Government, with certain specified exceptions, from employing non-U.S. citizens whose posts of duty would be in the continental United States.

Section 607 continues a provision ensuring that agencies will have authority to pay the General Services Administration bills for space renovation and other services.

Section 608 continues a provision allowing agencies to finance the costs of recycling and waste prevention programs with proceeds from the sale of materials recovered through such programs.

Section 609 continues a provision providing that funds may be used to pay rent and other service costs in the District of Columbia.

Section 610 continues a provision prohibiting the use of appropriated funds to pay the salary of any nominee after the Senate voted not to approve the nomination.

Section 611 continues a provision precluding interagency financing of groups absent prior statutory approval.

Section 612 continues a provision authorizing the Postal Service to employ guards.

Section 613 continues a provision prohibiting the use of appropriated funds for enforcing regulations disapproved in accordance with the applicable law of the United States.

Section 614 continues a provision limiting the pay increases of certain prevailing rate employees.

Section 615 continues a provision limiting the amount that can be used for redecoration of offices under certain circumstances.

Section 616 modifies a continuing provision prohibiting the expenditure of appropriated funds for the acquisition of additional

law enforcement training facilities without the advance approval of the Committees on Appropriations to allow the Federal Law Enforcement Training Center to obtain temporary use of additional facilities for training which cannot be accommodated in existing Center facilities.

Section 617 continues a provision permitting interagency funding of national security and emergency preparedness telecommunications initiatives, which benefit multiple Federal departments, agencies, and entities.

Section 618 continues a provision requiring agencies to certify that a schedule C appointment was not created solely or primarily to detail the employee to the White House.

Section 619 continues a provision requiring agencies to administer a policy designed to ensure that all of its workplaces are free from discrimination and sexual harassment.

Section 620 continues a provision prohibiting the use of appropriated funds for travel expenses not directly related to official governmental duties.

Section 621 continues a provision requiring the President to certify that persons responsible for administering the Drug Free Workplace Program are not themselves the subject of random drug testing.

Section 622 continues and modifies a provision which prohibits training not directly related to the performance of official duties.

Section 623 continues a provision prohibiting the expenditure of funds for the implementation of agreements in certain nondisclosure policies unless certain provisions are included in the policies.

Section 624 continues a provision which prohibits use of appropriated funds for publicity or propaganda designed to support or defeat legislation pending before Congress.

Section 625 continues a provision which requires the Office of Management and Budget to do an accounting statement and associated report on the cumulative costs and benefits of Federal regulatory programs.

Section 626 continues a provision which prohibits use of appropriated funds by an agency to provide Federal employees home address to labor organizations.

Section 627 continues a provision which authorizes the Secretary of the Treasury to establish standards for explosives detection canines.

Section 628 continues a provision which prohibits the use of appropriated funds to provide nonpublic information such as mailing or telephone lists to any person or organization outside of the Government.

Section 629 continues a provision which authorizes interagency financing for the National Bioethics Advisory Commission.

Section 630 continues a provision which prohibits the use of appropriated funds for publicity or propaganda purposes within the United States not authorized by Congress.

Section 631 continues a provision which prohibits the use of appropriated funds in this or any other act to acquire information technology which does not comply with part 39.106 (year 2000 compliance) of the Federal acquisition regulations.



Section 632 continues a provision which prohibits the U.S. Customs Service from allowing the importation of products produced by forced or indentured child labor.

Section 633 continues a provision which prohibits the use of funds to prevent Federal employees from communicating with Congress or to take disciplinary or personnel actions against employees for such communication.

Section 634 is a new provision that directs the U.S. Marshals Service to conduct a quarterly threat assessment on the Director of the Office of National Drug Control Policy upon which the Director's security needs will be based.

Section 635 expands section 636 of the Treasury, Postal Service, and General Government Appropriations Act for Fiscal Year 1997 (Public Law 104-208) to include the judicial branch. This provision will authorize the use of judiciary funds to reimburse judges, probation and pretrial officers, management officials, and supervisors for up to one-half of the costs of professional liability insurance.

Section 636 is a new provision that would permit interagency funding of the National Science Technology Council [NSTC]. The NSTC, which is overseen by the Office of Science and Technology Policy, helps coordinate science and technology matters across the Federal Government. Many of NSTC's committees require multi-agency funding for support of operations.

Section 637 is a new provision that provides additional flexibility relating to the FTS 2000 contract.

Section 638 is a new provision which codifies an existing Federal regulation relating to official duties.

Section 639 is a new provision amending the Ethics Reform Act of 1989 to provide that no adjustment shall take effect in fiscal year 1999 in the rates of basic pay for the statutory pay systems under section 5303 of title 5, United States Code.

Section 640 continues and modifies a provision which prohibits the use of funds for paying Sunday premium pay to an employee unless the work was actually performed.

Section 641 is a new provision to provide monetary relief to importers whose legally purchased goods were denied entry upon arrival because of a change in official policy.

Section 642 is a new provision to prohibit acquisition of products produced by forced or indentured child labor.

Section 643 is a new provision regarding pay for Federal employees.

COMPLIANCE WITH PARAGRAPH 7, RULE XVI, OF THE  
STANDING RULES OF THE SENATE

Paragraph 7 of rule XVI requires that Committee reports on general appropriations bills identify each Committee amendment to the House bill “which proposes an item of appropriation which is not made to carry out the provisions of an existing law, a treaty stipulation, or an act or resolution previously passed by the Senate during that session.”

The Committee recommends the following appropriations which lack authorization:

Department of the Treasury:

Departmental Offices:

Salaries and expenses, \$120,671,000

Automation enhancements, \$28,990,000

Treasury Building and annex, repair and restoration,  
\$27,000,000

Financial Crimes Enforcement Network, salaries and ex-  
penses, \$23,670,000

Federal Law Enforcement Training Center:

Salaries and expenses, \$66,251,000

Acquisition, construction, improvements, and related ex-  
penses, \$15,360,000

Financial Management Service, salaries and expenses,  
\$196,490,000

Bureau of Alcohol, Tobacco and Firearms:

Salaries and expenses, \$529,489,000

U.S. Customs Service:

Salaries and expenses, \$1,630,273,000

Operation and maintenance, air and marine interdiction  
programs, \$98,488,000

Internal Revenue Service:

Processing, assistance, and management, \$3,077,353,000

Tax law enforcement, \$3,164,399,000

Information systems, \$1,329,486,000

Executive Office of the President:

The White House Office, salaries and expenses,  
\$52,344,000

Executive Residence at the White House, operating ex-  
penses, \$8,691,000

Special Assistance to the President, salaries and ex-  
penses, \$3,512,000

Council of Economic Advisers, salaries and expenses,  
\$3,666,000

National Security Council, salaries and expenses,  
\$6,806,000

Office of Administration, salaries and expenses,  
\$29,140,000

Office of Management and Budget, salaries and expenses, \$60,617,000  
 Office of National Drug Control Policy, salaries and expenses, \$48,042,000  
 Counterdrug Technology Assessment Center, salaries and expenses, \$30,100,000  
 Counternarcotics research and development projects, \$1,000,000  
 High-intensity drug trafficking areas, \$171,007,000  
 State and local drug control activities, \$90,630,000  
 Federal agency drug control activities, \$80,370,000  
 Federal Election Commission, salaries and expenses, \$33,700,000  
 Federal Labor Relations Authority, salaries and expenses, \$22,586,000  
 General Services Administration, Federal buildings fund, limitations on availability of revenue:  
 Repairs and alterations, \$668,031,000  
 Nationwide:  
 Chlorofluorocarbons program, \$25,000,000  
 Basic repairs and alterations, \$344,236,000  
 Policy and operations, salaries and expenses, \$106,494,000  
 Merit Systems Protection Board, salaries and expenses, \$25,805,000  
 National Historical Publications and Records Commission, \$11,000,000  
 Office of Personnel Management, health promotion and disease prevention activities, \$300,000  
 Office of Special Counsel, salaries and expenses, \$8,720,000  
 U.S. Tax Court, salaries and expenses, \$32,765,000

#### COMPLIANCE WITH PARAGRAPH 7(C), RULE XXVI, OF THE STANDING RULES OF THE SENATE

Pursuant to paragraph 7(c) of rule XXVI, the Committee ordered reported en bloc, S. 2307, an original Transportation and related agencies appropriations bill, 1999, and S. 2312, an original Treasury and General Government appropriations bill, 1999, both subject to amendment and both subject to appropriate scorekeeping, by a recorded vote of 28–0, a quorum being present. The vote was as follows:

Yeas

Nays

Chairman Stevens  
 Mr. Cochran  
 Mr. Specter  
 Mr. Domenici  
 Mr. Bond  
 Mr. Gorton  
 Mr. McConnell  
 Mr. Burns  
 Mr. Shelby  
 Mr. Gregg  
 Mr. Bennett  
 Mr. Campbell

Mr. Craig  
 Mr. Faircloth  
 Mrs. Hutchison  
 Mr. Byrd  
 Mr. Inouye  
 Mr. Hollings  
 Mr. Leahy  
 Mr. Bumpers  
 Mr. Lautenberg  
 Mr. Harkin  
 Ms. Mikulski  
 Mr. Reid  
 Mr. Kohl  
 Mrs. Murray  
 Mr. Dorgan  
 Mrs. Boxer

#### COMPLIANCE WITH PARAGRAPH 12, RULE XXVI OF THE STANDING RULES OF THE SENATE

Paragraph 12 of rule XXVI requires that Committee reports on a bill or joint resolution repealing or amending any statute or part of any statute include “(a) the text of the statute or part thereof which is proposed to be repealed; and (b) a comparative print of that part of the bill or joint resolution making the amendment and of the statute or part thereof proposed to be amended, showing by stricken-through type and italics, parallel columns, or other appropriate typographical devices the omissions and insertions which would be made by the bill or joint resolution if enacted in the form recommended by the committee.”

In compliance with this rule, the following changes in existing law proposed to be made by the bill are shown as follows: existing law to be omitted is enclosed in black brackets; new matter is printed in italic; and existing law in which no change is proposed is shown in roman.

### TITLE 28—JUDICIARY AND JUDICIAL PROCEDURE

#### PART IV—JURISDICTION AND VENUE

#### CHAPTER 97—JURISDICTIONAL IMMUNITIES OF FOREIGN STATES

##### § 1606. Extent of liability

As to any claim for relief with respect to which a foreign state is not entitled to immunity under section 1605 or 1607 of this chapter, the foreign state shall be liable in the same manner and to the same extent as a private individual under like circumstances; but a foreign state except for an agency or instrumentality thereof shall not be liable for punitive damages, *except any action under section 1605(a)(7) or 1610(f)*; if, however, in any case wherein death was caused, the law of the place where the action or omission occurred provides, or has been construed to provide, for damages only punitive in nature, the foreign state shall be liable for actual or compensatory damages measured by the pecuniary injuries resulting

from such death which were incurred by the persons for whose benefit the action was brought.

\* \* \* \* \*

**§ 1610. Exceptions to the immunity from attachment or execution**

(a) \* \* \*

\* \* \* \* \*

(e) The vessels of a foreign state shall not be immune from arrest in rem, interlocutory sale, and execution in actions brought to foreclose a preferred mortgage as provided in section 1605(d).

(f)(1)(A) *Notwithstanding any other provision of law, including but not limited to section 208(f) of the Foreign Missions Act (22 U.S.C. 4308(f)), and except as provided in subparagraph (B), any property with respect to which financial transactions are prohibited or regulated pursuant to section 5(b) of the Trading with the Enemy Act (50 U.S.C. App. 5(b)), section 620(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2370(a)), sections 202 and 203 of the International Emergency Economic Powers Act (50 U.S.C. 1701–1702), or any other proclamation, order, regulation, or license issued pursuant thereto, shall be subject to execution or attachment in aid of execution of any judgment relating to a claim for which a foreign state (including any agency or instrumentality or such state) claiming such property is not immune under section 1605(a)(7).*

(B) *Subparagraph (A) shall not apply if, at the time the property is expropriated or seized by the foreign state, the property has been held in title by a natural person or, if held in trust, has been held for the benefit of a natural person or persons.*

(2)(A) *At the request of any party in whose favor a judgment has been issued with respect to a claim for which the foreign state is not immune under section 1605(a)(7), the Secretary of the Treasury and the Secretary of State shall fully, promptly, and effectively assist any judgment creditor or any court that has issued any such judgment in identifying, locating, and executing against the property of that foreign state or any agency or instrumentality of such state.*

(B) *In providing such assistance, the Secretaries—*

*(i) may provide such information to the court under seal; and*

*(ii) shall provide the information in a manner sufficient to allow the court to direct the United States Marshall's office to promptly and effectively execute against that property.*

\* \* \* \* \*

OMNIBUS CONSOLIDATED APPROPRIATIONS ACT, 1997, PUBLIC LAW  
104–208

\* \* \* \* \*

SEC. 636. \* \* \*

\* \* \* \* \*

(b) **QUALIFIED EMPLOYEE.**—For purposes of this section, the term “qualified employee” means an agency employee whose position is that of—

(1) a law enforcement officer; or

(2) a supervisor or management official.

## (c) DEFINITIONS.—For purposes of this section—

(1) the term “agency” means an Executive agency, as defined by section 105 of title 5, United States Code, *any agency or court in the Judicial Branch*, and any agency of the Legislative Branch of Government including any office or committee of the Senate or the House of Representatives;

(2) the term “law enforcement officer” means an employee, the duties of whose position are primarily the investigation, apprehension, ~~prosecution, or detention~~ *prosecution, detention, or supervision* of individuals suspected or convicted of offenses against the criminal laws of the United States, including any law enforcement officer under section 8331(20) or 8401(17) of such title 5, or under section 4823 of title 22, United States Code;

(3) the terms “supervisor” and “management official” have the respective meanings given them by section 7103(a) of such title 5, *and, with regard to the Judicial Branch, mean a justice or judge of the United States as defined in 28 U.S.C. 451 in regular active service or retired from regular active service, other judicial officers as authorized by the Judicial Conference of the United States, and supervisors and managers within the Judicial Branch as authorized by the Judicial Conference of the United States*, and

(4) the term “professional liability insurance” means insurance which provides coverage for—

(A) legal liability for damages due to injuries to other persons, damage to their property, or other damage or loss to such other persons (including the expenses of litigation and settlement) resulting from or arising out of any tortious act, error, or omission of the covered individual (whether common law, statutory, or constitutional) while in the performance of such individual’s official duties as a qualified employee; and

(B) the cost of legal representation for the covered individual in connection with any administrative or judicial proceeding (including any investigation or disciplinary proceeding) relating to any act, error, or omission of the covered individual while in the performance of such individual’s official duties as a qualified employee, and other legal costs and fees relating to any such administrative or judicial proceeding.

(d) APPLICABILITY.—The amendments made by this section shall take effect on the date of the enactment of this Act and shall apply thereafter.

\* \* \* \* \*

TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT  
APPROPRIATIONS ACT, 1997

SEC. 626. (a) \* \* \*

[(b) After December 31, 1998, subsection (a) shall apply only if the Administrator of General Services has reported that the FTS2000 procurement is producing prices that allow the Govern-

ment to satisfy its requirements for such procurement in the most cost-effective manner.]

*(b) Until the end of the current FTS2000 contracts, or September 30, 1999, whichever is earlier, subsection (a) shall continue to apply to the use of the funds appropriated by this or any other Act.*

#### BUDGETARY IMPACT OF BILL

PREPARED IN CONSULTATION WITH THE CONGRESSIONAL BUDGET OFFICE PURSUANT TO SEC. 308(a), PUBLIC LAW 93-344, AS AMENDED

[In millions of dollars]

	Budget authority		Outlays	
	Committee allocation	Amount of bill	Committee allocation	Amount of bill
Comparison of amounts in the bill with Committee allocations to its subcommittees of amounts in 1999: Subcommittee on Treasury and General Government:				
Nondefense discretionary .....	13,071	13,214	11,940	<sup>1</sup> 12,073
Violent crime reduction fund .....	132	132	129	125
Mandatory .....	13,439	13,439	13,439	13,439
Projections of outlays associated with the recommendation:				
1999 .....				<sup>2</sup> 22,937
2000 .....				2,080
2001 .....				536
2002 .....				351
2003 and future year .....				277
Financial assistance to State and local governments for 1999 in bill .....	NA		NA	

<sup>1</sup> Includes outlays from prior-year budget authority.

<sup>2</sup> Excludes outlays from prior-year budget authority.

NA: Not applicable.

Note.—Consistent with the funding recommended in the bill for earned income tax credit compliance and in accordance with section 314(b)(5) of the Congressional Budget Act of 1974, as amended, the Committee anticipates that the Budget Committee will file a revised section 302(a) allocation for the Committee on Appropriations reflecting an upward adjustment of \$243,000,000 in budget authority and \$234,000,000 in outlays.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1998 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL  
FOR FISCAL YEAR 1999

Item	1998 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				1998 appropriation	Budget estimate
TITLE I—DEPARTMENT OF THE TREASURY					
Departmental Offices .....	\$114,771,000	\$123,846,000	\$120,671,000	+\$5,900,000	— \$3,175,000
Automation Enhancement .....	61,389,000	22,952,000	28,990,000	— 32,399,000	+ 6,038,000
Office of Inspector General .....	29,719,000	30,678,000	30,678,000	+ 959,000	.....
Office of Professional Responsibility .....	1,250,000	1,654,000	.....	— 1,250,000	— 1,654,000
Treasury Buildings and Annex Repair and Restoration .....	10,484,000	27,000,000	27,000,000	+ 16,516,000	.....
Financial Crimes Enforcement Network .....	22,835,000	24,000,000	23,670,000	+ 835,000	— 330,000
Violent Crime Reduction Programs:					
Bureau of Alcohol, Tobacco and Firearms .....	19,421,000	.....	1,800,000	— 17,621,000	+ 1,800,000
Financial Crimes Enforcement Network .....	1,000,000	.....	1,400,000	+ 400,000	+ 1,400,000
Interagency crime and drug enforcement .....	.....	45,000,000	45,000,000	+ 45,000,000	.....
United States Secret Service .....	15,731,000	11,700,000	15,403,000	— 328,000	+ 3,703,000
ONDCP—HIDTA .....	23,200,000	.....	.....	— 23,200,000	.....
Gang Resistance Education and Training: Grants .....	10,000,000	10,000,000	13,239,000	+ 3,239,000	+ 3,239,000
Federal Law Enforcement Training Center .....	1,000,000	1,000,000	1,158,000	+ 158,000	+ 158,000
United States Customs Service .....	60,648,000	64,472,000	54,000,000	— 6,648,000	— 10,472,000
Total, Violent Crime Reduction Programs .....	131,000,000	132,172,000	132,000,000	+ 1,000,000	— 172,000
Federal Law Enforcement Training Center:					
Salaries and Expenses .....	64,663,000	71,923,000	66,251,000	+ 1,588,000	— 5,672,000
Acquisition, Construction, Improvements, and Related Expenses .....	32,548,000	28,360,000	15,360,000	— 17,188,000	— 13,000,000
Total, Federal Law Enforcement Training Center .....	97,211,000	100,283,000	81,611,000	— 15,600,000	— 18,672,000
Interagency Law Enforcement: Interagency crime and drug enforcement ..	73,794,000	30,900,000	30,900,000	— 42,894,000	.....



Financial Management Service .....	207,790,000	202,510,000	196,490,000	-11,300,000	-6,020,000
Debt collection improvement account .....		3,000,000	3,000,000	+3,000,000	
Federal Financing Bank (debt liquidation) .....		(2,854,000,000)	(2,854,000,000)	(+2,854,000,000)	
Bureau of Alcohol, Tobacco and Firearms:					
Salaries and Expenses .....	478,934,000	544,324,000	529,489,000	+50,555,000	-14,835,000
Laboratory facilities and headquarters .....	55,022,000	32,000,000		-55,022,000	-32,000,000
Total, Bureau of Alcohol, Tobacco and Firearms .....	533,956,000	576,324,000	529,489,000	-4,467,000	-46,835,000
United States Customs Service:					
Salaries and Expenses .....	1,522,165,000	1,638,065,000	1,630,273,000	+108,108,000	-7,792,000
Rescission .....	-6,000,000			+6,000,000	
Subtotal .....	1,516,165,000	1,638,065,000	1,630,273,000	+114,108,000	-7,792,000
Operation and Maintenance, Air and Marine interdiction Programs .....	92,758,000	98,488,000	98,488,000	+5,730,000	
(DELAYED OBLIGATIONS) .....			(23,300,000)	(+23,300,000)	(+23,300,000)
Rescission .....	-4,470,000			+4,470,000	
Subtotal .....	88,288,000	98,488,000	98,488,000	+10,200,000	
Customs Services at Small Airports (to be derived from fees collected) .....	2,406,000	2,000,000	2,000,000	-406,000	
Harbor Maintenance Fee Collection .....	3,000,000	3,200,000	3,000,000		-200,000
Total, United States Customs Service .....	1,609,859,000	1,741,753,000	1,733,761,000	+123,902,000	-7,992,000
Bureau of the Public Debt .....	169,426,000	173,100,000	172,100,000	+2,674,000	-1,000,000
Internal Revenue Service:					
Processing, Assistance, and Management .....	2,925,874,000	3,162,430,000	3,077,353,000	+151,479,000	-85,077,000
Tax Law Enforcement .....	3,142,822,000	3,169,539,000	3,164,399,000	+21,577,000	-5,140,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1998 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL  
FOR FISCAL YEAR 1999—Continued

Item	1998 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				1998 appropriation	Budget estimate
Rescission .....	- 32,000,000	.....	.....	+ 32,000,000	.....
Subtotal .....	3,110,822,000	3,169,539,000	3,164,399,000	+ 53,577,000	- 5,140,000
Earned Income Tax Credit Compliance Initiative .....	138,000,000	143,000,000	143,000,000	+ 5,000,000	.....
Information Systems .....	1,272,487,000	1,540,884,000	1,329,486,000	+ 56,999,000	- 211,398,000
Information technology investments .....	325,000,000	323,000,000	137,569,000	- 187,431,000	- 185,431,000
Rescission .....	- 30,330,000	.....	.....	+ 30,330,000	.....
Subtotal .....	294,670,000	323,000,000	137,569,000	- 157,101,000	- 185,431,000
Net total, Internal Revenue Service .....	7,741,853,000	8,338,853,000	7,851,807,000	+ 109,954,000	- 487,046,000
United States Secret Service:					
Salaries and Expenses .....	564,348,000	594,657,000	584,902,000	+ 20,554,000	- 9,755,000
(DELAYED OBLIGATIONS) .....	.....	.....	(13,860,000)	(+ 13,860,000)	(+ 13,860,000)
Acquisition, Construction, Improvement, and Related Expenses .....	8,799,000	6,445,000	8,068,000	- 731,000	+ 1,623,000
Total, United States Secret Service .....	573,147,000	601,102,000	592,970,000	+ 19,823,000	- 8,132,000
Payment for the joint financial management improvement program .....	.....	3,000,000	.....	.....	- 3,000,000
Net total, title I, Department of the Treasury .....	11,378,484,000	12,133,127,000	11,555,137,000	+ 176,653,000	- 577,990,000
(Debt liquidation) .....	.....	2,854,000,000	2,854,000,000	+ 2,854,000,000	.....

TITLE II—POSTAL SERVICE									
Payments to the Postal Service									
Payment to the Postal Service Fund .....					100,195,000	71,195,000	— 15,079,000	— 29,000,000	
TITLE III—EXECUTIVE OFFICE OF THE PRESIDENT AND FUNDS APPROPRIATED TO THE PRESIDENT									
Compensation of the President and the White House Office:									
Compensation of the President .....					250,000	250,000			
Salaries and Expenses .....					51,199,000	52,344,000	+ 1,145,000		
Executive Residence at the White House:									
Operating Expenses .....					8,691,000	8,691,000	+ 646,000		
White House Repair and Restoration .....					200,000		— 200,000		
Special Assistance to the President and the Official Residence of the Vice President:									
Salaries and Expenses .....					3,378,000	3,512,000	+ 134,000		
Operating expenses .....					334,000	334,000			
Council of Economic Advisers .....					3,666,000	3,666,000	+ 124,000		
Office of Policy Development .....					3,983,000	4,032,000	+ 49,000		
National Security Council .....					6,648,000	6,806,000	+ 158,000		
Office of Administration .....					28,883,000	29,140,000	+ 257,000	— 11,410,000	
Office of Management and Budget .....					57,440,000	60,617,000	+ 3,177,000	+ 11,600,000	
Office of National Drug Control Policy .....					35,016,000	48,042,000	+ 13,026,000	— 1,000,000	
Unanticipated Needs .....									
Federal Drug Control Programs: High Intensity Drug Trafficking Areas Program .....					159,007,000	171,007,000	+ 12,000,000	+ 9,000,000	
Special forfeiture fund .....					211,000,000	200,000,000	— 11,000,000	— 51,000,000	
Information technology systems and related expenses (contingent emer- gency) .....									
Total, title III, Executive Office of the President and Funds Ap- propriated to the President .....					631,251,000	3,838,441,000	+ 3,269,516,000	+ 3,207,190,000	
TITLE IV—INDEPENDENT AGENCIES									
Committee for Purchase from People Who Are Blind or Severely Dis- abled .....					1,940,000	2,464,000	+ 524,000		

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1998 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL  
FOR FISCAL YEAR 1999—Continued

Item	1998 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				1998 appropriation	Budget estimate
Federal Election Commission .....	31,650,000	36,504,000	33,700,000	+ 2,050,000	- 2,804,000
Federal Labor Relations Authority .....	22,039,000	22,586,000	22,586,000	+ 547,000	.....
General Services Administration:					
Federal Buildings Fund:					
Appropriation .....	.....	.....	508,752,000	+ 508,752,000	+ 508,752,000
Limitations on availability of revenue:					
Construction and acquisition of facilities .....			(552,757,000)	(+ 552,757,000)	(+ 508,752,000)
Repairs and alterations .....	(300,000,000)	(44,005,000)	(668,031,000)	(+ 368,031,000)	.....
Installment acquisition payments .....	(142,542,000)	(668,031,000)	(215,764,000)	(+ 73,222,000)	.....
Operations and rental of space .....	.....	(215,764,000)	.....	.....	.....
Rental of space .....	(2,275,340,000)	(2,583,261,000)	(2,583,261,000)	(+ 307,921,000)	.....
Building Operations .....	(1,331,789,000)	(1,554,772,000)	(1,554,772,000)	(+ 222,983,000)	.....
Repayment of Debt .....	(105,720,000)	(91,000,000)	(91,000,000)	(- 14,720,000)	.....
Previously appropriated activities .....	(680,543,000)	.....	.....	(- 680,543,000)	.....
Total, Federal Buildings Fund .....	.....	.....	508,752,000	+ 508,752,000	+ 508,752,000
(Limitations) .....	(4,835,934,000)	(5,156,833,000)	(5,665,585,000)	(+ 829,651,000)	(+ 508,752,000)
Policy and Operations .....	107,487,000	106,494,000	106,494,000	- 993,000	.....
Office of Inspector General .....	33,870,000	32,000,000	32,000,000	- 1,870,000	.....
Allowances and Office Staff for Former Presidents .....	2,208,000	2,241,000	2,241,000	+ 33,000	.....
Total, General Services Administration .....	143,565,000	140,735,000	649,487,000	+ 505,922,000	+ 508,752,000
John F. Kennedy Assassination Record Review Board .....	1,600,000	.....	.....	- 1,600,000	.....

Merit Systems Protection Board:					
Salaries and Expenses .....	25,290,000	25,805,000	25,805,000	+ 515,000	.....
(Limitation on administrative expenses) .....	(2,430,000)	(2,430,000)	(2,430,000)	.....	.....
Morris K. Udall Scholarship and Excellence in National Environmental Policy Foundation .....	1,750,000	2,000,000	.....	- 1,750,000	- 2,000,000
U.S. Institute for Environmental Conflict Resolution .....	.....	4,000,000	.....	.....	- 4,000,000
National Archives and Records Administration:					
Operating expenses .....	205,166,500	230,025,000	221,030,000	+ 15,863,500	- 8,995,000
Reduction of debt .....	- 4,012,000	- 4,012,000	- 4,012,000	.....	.....
Repairs and Restoration .....	14,650,000	10,450,000	11,325,000	- 3,325,000	+ 875,000
National Historical Publications and Records Commission: Grants program .....	5,500,000	6,000,000	11,000,000	+ 5,500,000	+ 5,000,000
Total, National Archives and Records Administration .....	221,304,500	242,463,000	239,343,000	+ 18,038,500	- 3,120,000
Office of Government Ethics .....	8,265,000	8,492,000	8,492,000	+ 227,000	.....
Office of Personnel Management:					
Salaries and Expenses .....	85,350,000	85,350,000	85,350,000	.....	.....
(Limitation on administrative expenses) .....	(91,236,000)	(91,236,000)	(91,236,000)	.....	.....
Office of Inspector General .....	960,000	960,000	960,000	.....	.....
(Limitation on administrative expenses) .....	(8,645,000)	(9,145,000)	(9,145,000)	(+ 500,000)	.....
Government Payment for Annuitants, Employees Health Benefits .....	4,338,000,000	4,632,000,000	4,632,000,000	+ 294,000,000	.....
Government Payment for Annuitants, Employee Life Insurance .....	32,000,000	35,000,000	35,000,000	+ 3,000,000	.....
Payment to Civil Service Retirement and Disability Fund .....	8,336,000,000	8,682,297,000	8,682,297,000	+ 346,297,000	.....
Total, Office of Personnel Management .....	12,792,310,000	13,435,607,000	13,435,607,000	+ 643,297,000	.....
Office of Special Counsel .....	8,450,000	8,720,000	8,720,000	+ 270,000	.....
United States Tax Court .....	33,921,000	34,490,000	32,765,000	- 1,156,000	- 1,725,000
Total, title IV, Independent Agencies .....	13,292,084,500	13,963,866,000	14,458,969,000	+ 1,166,884,500	+ 495,103,000
(Limitation on administrative expenses) .....	(4,938,245,000)	(5,259,644,000)	(5,768,396,000)	(+ 830,151,000)	(+ 508,752,000)
Net grand total .....	25,325,767,500	26,828,439,000	29,923,742,000	+ 4,597,974,500	+ 3,095,303,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1998 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL  
FOR FISCAL YEAR 1999—Continued

Item	1998 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				1998 appropriation	Budget estimate
Appropriations .....	(25,398,567,500)	(26,828,439,000)	(29,923,742,000)	(+ 4,525,174,500)	(+ 3,095,303,000)
Rescissions .....	( - 72,800,000)	.....	.....	(+ 72,800,000)	.....
(Debt liquidation) .....	.....	(2,854,000,000)	(2,854,000,000)	(+ 2,854,000,000)	.....
(Limitations) .....	(4,938,245,000)	(5,259,644,000)	(5,768,396,000)	(+ 830,151,000)	(+ 508,752,000)

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